TOWN OF WESTLAKE, TEXAS

Annual Financial Report

For the Year Ended September 30, 2025

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THE TOWN OF
WESTLAKE
DISTINCTIVE BY DESIGN

TOWN OF WESTLAKE, TEXAS
Table of Contents
September 30, 2025

Independent Auditor's Report 1

Management's Discussion and Analysis 7

Basic Financial Statements:

Government-wide Financial Statements

Statement of Net Position 18

Statement of Activities 21

Fund Financial Statements:

Balance Sheet - Governmental Funds 22

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 25

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 26

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 28

Statement of Net Position - Proprietary Funds 29

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds 31

Statement of Cash Flows - Proprietary Funds 32

Statement of Fiduciary Net Position - Fiduciary Funds 34

Statement of Changes in Fiduciary Net Position - Fiduciary Funds 35

Notes to the Financial Statements 37

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund 82

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - 4B Economic Development Corporation 84

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Westlake Academy General Fund 85

Schedule of Changes in Net Position Liability and Related Ratios - Texas Municipal Retirement System 86

Schedule of Employer Contributions to Pension Plan - Texas Municipal Retirement System 88

Schedule of Academy's Proportionate Share of Net Pension Liability - Teacher Retirement System of Texas 90

Schedule of Employer Contributions to Pension Plan - Teacher Retirement System of Texas 92

Schedule of Changes in Postemployment Benefits Other Than Pension Liability and Related Ratios - Texas Municipal Retirement System 94

Schedule of Academy's Proportionate Share of Net OPEB Liability - Teacher Retirement System of Texas 96

Schedule of Employer Contributions to OPEB Plan - Teacher Retirement System of Texas 98

TOWN OF WESTLAKE, TEXAS
Table of Contents
September 30, 2025

Combining and Individual Fund Financial Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds 102

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 103

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Visitors Association Fund 104

Lone Star Public Facilities Corporation 105

Economic Development Fund 106

Debt Service Fund 107

Capital Projects Fund 108

Westlake Academy Expansion Capital Projects 109

FINANCIAL SECTION

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Independent Auditor's Report

To the Honorable Mayor
and Members of the Town Council
Town of Westlake, Texas:

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Westlake, Texas (the Town), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	***Type of Opinion***
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
Each Major Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Town, as of September 30, 2025, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Town of Westlake, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the Town's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Town's primary government unless the Town also issues financial statements for the financial reporting entity that include the financial data for its component units. The Town has not issued such reporting entity financial statements. The effects of not including the Town's legally separate component units on the aggregate discretely presented component units has not been determined.

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension and other postemployment benefits related schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Austin, Texas
March 27, 2026

THE TOWN OF
WESTLAKE
DISTINCTIVE BY DESIGN

MANAGEMENT'S DISCUSSION AND ANALYSIS

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TOWN OF WESTLAKE, TEXAS
Management's Discussion and Analysis
September 30, 2025

As management of the Town of Westlake, Texas (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows (net position) at September 30, 2025 by $116,980,578.
- The Town's total net position increased by $11,297,985. The majority of the Town's net position is invested in capital assets or restricted for specific purposes.
- The Town's governmental funds reported combined ending fund balances of $68,696,469 at September 30, 2025, an increase of $10,798,971 from the prior fiscal year. This includes an increase of $5,494,483 in the general fund, an increase of $39,416 in the debt service fund, an increase of $159,515 in the capital projects fund, an increase of $2,314,687 in the 4B EDC fund, an increase of $562,686 in the Westlake Academy fund, an increase of $2,750,783 in the Westlake Academy expansion capital projects fund, and a decrease of $236,031 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was $43,949,236 or 332% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The statement of net position presents information on all of the Town's assets and liabilities. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, such as the Town's property tax base and the condition of the Town's infrastructure, need to be considered in order to assess the overall health of the Town.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type

activities). The governmental activities of the Town include general government, public safety, cultural recreation, streets, public works, visitor services, and education. Normally, these operations are financed by property taxes, sales taxes, and franchise fees. The business-type activities of the Town include water/sewer (utility) and cemetery operations.

The government-wide financial statements normally include not only the Town itself (known as the primary government), but also the legally separate component units. The Town has the following blended component units: Lone Star Public Facilities Corporation, 4B Economic Development Corporation, and Westlake Academy, an open enrollment charter school owned and operated by the Town of Westlake. The Town is financially accountable for all these component units. The Town of Westlake's reporting entity also includes two Texas Student Housing entities, which are discrete component units and have been omitted from these basic financial statements of the primary government as the audit is in progress and not complete at the time of the Town's mandated financial reporting deadline.

The government-wide financial statements can be found on pages 18-21 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eleven governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, the 4B EDC fund, Westlake Academy, and the Capital Projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The Town adopted an annual appropriated budget for each fund, with the exception of the Solana PID capital projects fund and the Public Arts Fund. A budgetary comparison statement has been provided for each fund with an adopted budget to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 22-29 of this report.

Proprietary Funds

The Town's proprietary funds are all enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water/sewer and cemetery operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, and billing and collection expenses. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility fund and Cemetery fund.

The basic proprietary fund financial statements can be found on pages 29-33 of this report.

Component Units

The Town maintains the accounting and financial statements for two discretely presented component units. The Texas Student Housing Authority (which includes the College Station Project) and the Texas Student Housing Corporation – Denton Project are both discretely presented component units, which are required to be displayed on the government-wide financial statements. These component units have been omitted from this report due to timing constraints, as the audit for both discretely presented component units are in progress and not complete at the time of the Town's mandated financial reporting deadline.

The 4B EDC fund and Westlake Academy are presented as blended component units and included in the basic governmental fund statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is similar to the accounting used for proprietary funds. The Town of Westlake maintains one fiduciary fund, the Solana PID Private Purpose Trust Fund.

The basic fiduciary fund financial statements can be found on pages 34-35 of this report

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 37-80 of this report.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, Westlake Academy (general fund), schedule of changes in the net pension liability/OPEB liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System and the Teacher Retirement System of Texas. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the Town, assets and deferred outflows exceeded liabilities and deferred inflows by $116,980,578 as of September 30, 2025, in the primary government.

The largest portion of the Town's net position, $44,014,842, reflects its investments in capital assets (e.g., land, buildings, water system, machinery and equipment, construction in progress) less any debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town of Westlake, Texas' net position of $20,778,627 represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the Town of Westlake, Texas is able to report positive balances in all reported categories of net position for the primary government, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	September 30, 2025			September 30, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other asset	$ 72,647,472	$ 23,028,802	$ 95,676,274	$ 60,170,001	$ 15,870,738	$ 76,040,739
Capital assets, net	81,475,034	8,825,195	90,300,229	80,938,804	8,701,540	89,640,344
Total Assets	154,122,506	31,853,997	185,976,503	141,108,805	24,572,278	165,681,083
Deferred Outflows of Resources	3,191,148	49,652	3,240,800	4,645,072	47,582	4,692,654
Current liabilities	7,167,013	2,556,324	9,723,337	5,119,113	1,901,448	7,020,561
Noncurrent liabilities	38,241,083	21,976,018	60,217,101	36,699,513	17,071,930	53,771,443
Total liabilities	45,408,096	24,532,342	69,940,438	41,818,626	18,973,378	60,792,004
Deferred Inflows of Resources	2,182,170	114,117	2,296,287	3,530,027	106,082	3,636,109
Net Position:						
Net investment in capital assets	52,277,554	(8,262,712)	44,014,842	48,867,171	(8,924,955)	39,942,216
Restricted	20,728,627	50,000	20,778,627	19,244,260	50,000	19,294,260
Unrestricted	36,717,207	15,469,902	52,187,109	32,293,793	14,415,355	46,709,148
Total Net Position	$ 109,723,388	$ 7,257,190	$ 116,980,578	$ 100,405,224	$ 5,540,400	$ 105,945,624

Total current and other assets of the primary government were $95,676,247 and $76,040,739 as of September 30, 2025, and September 30, 2024, respectively. The increase is due to unexpected one-time sales tax revenues, proceeds received from a bond issuance, and actual expenditures lower than budget that provided an operating surplus. Current liabilities of business-type activities were $2,556,324 and $1,901,448 as of September 30, 2025, and September 30, 2024, respectively. The increase was primarily due to the increase of accounts payable as part of the natural cycle of payments. Long-term liabilities for the primary government increased by $6,445,658 or 12% due to debt issuance in the current year. Deferred outflows and inflows of resources experienced changes due to market fluctuation and the changes in investment returns impacting pension liability balances.

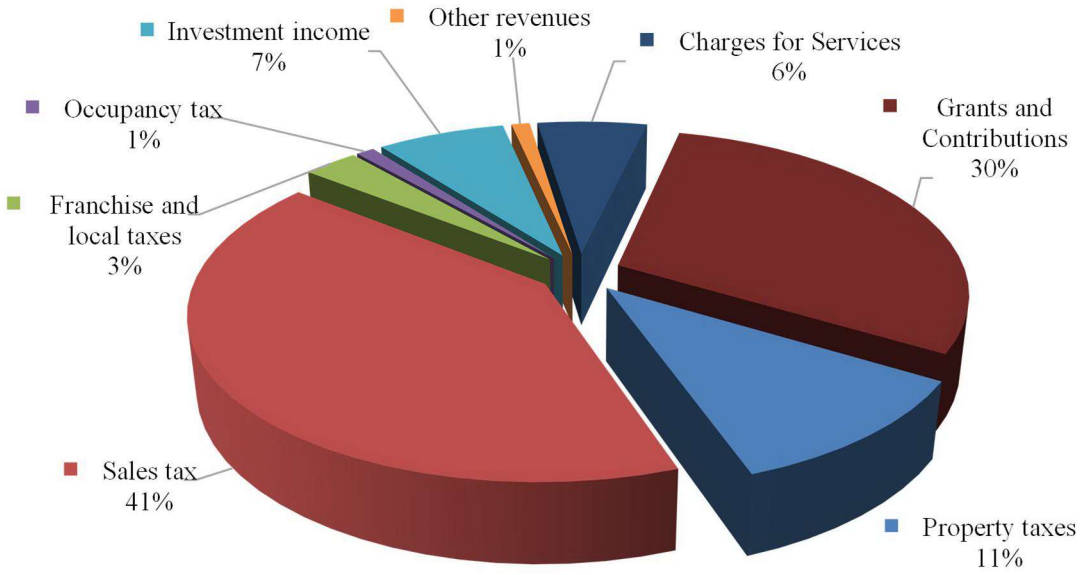
Statement of Activities:

The following table provides a summary of the Town's changes in net position:

Program revenues:						
Charges for services	$ 2,421,927	$ 9,282,650	$ 11,704,577	$ 6,884,483	$ 8,016,907	$ 14,901,390
Grants/contributions	11,998,586	-	11,998,586	11,068,808	-	11,068,808
General revenues:						
Property tax	4,357,604	-	4,357,604	4,008,157	-	4,008,157
Sales tax	16,048,173	-	16,048,173	11,985,325	-	11,985,325
Franchise and local taxes	1,146,964	-	1,146,964	922,078	-	922,078
Occupancy tax	549,850	-	549,850	748,500	-	748,500
Investment income	2,688,157	740,439	3,428,596	2,677,347	718,465	3,395,812
Other revenues	188,236	-	188,236	151,575	462,537	614,112
Total Revenues	39,399,497	10,023,089	49,422,586	38,446,273	9,197,909	47,644,182
Expenses						
General government	4,345,622	-	4,345,622	4,977,845	-	4,977,845
Public safety	5,366,065	-	5,366,065	4,631,503	-	4,631,503
Cultural and recreation	374,372	-	374,372	337,128	-	337,128
Public works	3,872,176	-	3,872,176	1,636,523	-	1,636,523
Visitor services	434,138	-	434,138	270,346	-	270,346
Education	14,391,930	-	14,391,930	13,221,132	-	13,221,132
Interest on long-term debt	1,033,999	-	1,033,999	1,070,459	-	1,070,459
Utility	-	8,272,376	8,272,376	-	5,891,114	5,891,114
Cemetery	-	33,923	33,923	-	39,654	39,654
Total Expenses	29,818,302	8,306,299	38,124,601	26,144,936	5,930,768	32,075,704
Change in Net Position	9,581,195	1,716,790	11,297,985	12,301,337	3,267,141	15,568,478
Beginning Net Position, as restated	100,142,193	5,540,400	105,682,593	88,103,887	2,273,259	90,377,146
Ending Net Position	$ 109,723,388	$ 7,257,190	$ 116,980,578	$ 100,405,224	$ 5,540,400	$ 105,945,624

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the Town's activities.

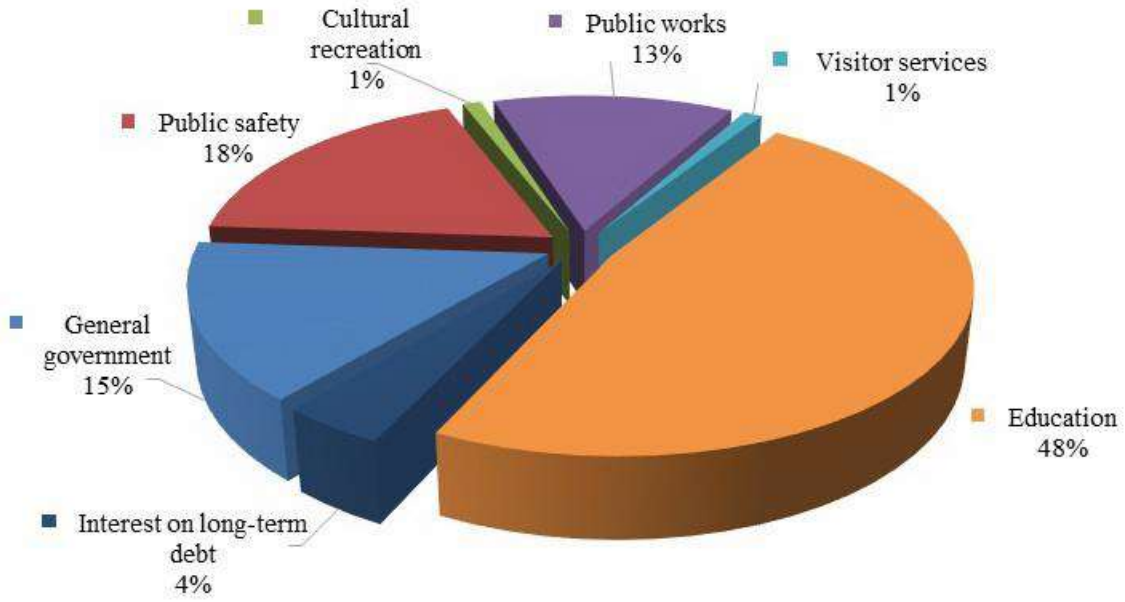
Governmental Activities – Revenues



For the year ended September 30, 2025, revenues from governmental activities totaled $39,399,497. Sales tax and grants and contributions are the Town's largest general revenue sources. Overall revenue increased $953,224 or 2% from the prior year. Charges for services decreased by $4,462,556 or 65% due to nonrecurring license and permit revenues in the prior year related to large construction projects. Grants and contributions increased by $929,778 or 8% primarily due to increases in State-provided funding for the Academy based on student enrollment and increased donations from the Westlake Academy Foundation. Property taxes increased by $349,447 or 9% due to new construction added to the tax roll for the current year. Sales taxes increased by $4,062,848 or 34% primarily due to nonrecurring large transactions during the current year. Franchise and local taxes increased by $224,886 or 24% due to greater electricity usage and miscellaneous franchise revenues received in the current year. Occupancy taxes decreased by $198,650 or 27% due to ongoing construction/renovation activities at area hotels. Investment income increased by $10,810 or less than 1% due to relatively stagnant interest rates during the current year. Other revenues increased by $36,661 or 24% predominantly due to increased EMS revenue.

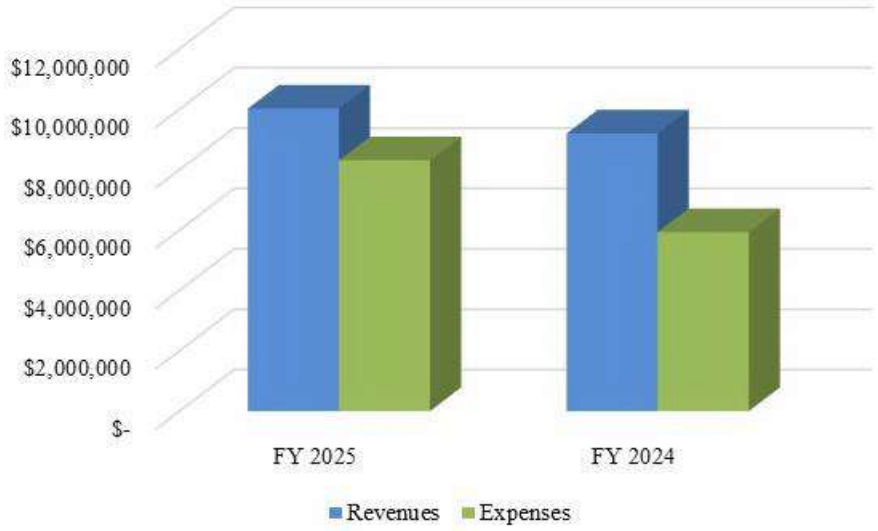
This graph shows the governmental function expenses of the Town:

Governmental Activities – Expenses



For the year ended September 30, 2025, expenses for governmental activities totaled $29,818,302. This represents an increase of $3,673,366 or 14% from the prior year. The Town's largest expense category is education and the operating expenses of Westlake Academy, which totaled $14,391,930 at year-end. Education expenses increased by $1,170,798 or 9% for capital projects on campus and the reclassification of education expenses during the Academy's audit. General government expenses decreased by $632,223 or 13% due to nonrecurring professional service costs and capital expenses incurred in the prior year. Public safety expenses increased by $734,562 or 16% due to the implementation of 5-person minimum staffing. Cultural and recreation expenses increased by $37,244 or 11% primarily due to nonrecurring repairs and maintenance in the current year. Public works expenses increased by $2,235,653 or 137% due to additional personnel and increased infrastructure maintenance costs incurred in the current year. Visitor services increased by $163,792 or 61% due increased personnel costs and updated allocated rent expense incurred in the current year. All other expenses remained relatively consistent when compared to the previous year.

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2025, charges for services by business-type activities totaled $9,282,650. This is an increase of $1,265,743 or 16% from the previous year. The increase is due to increases in impact fees charged and actual service usage during the current year.

Utility service expenses increased by $2,381,262 or 40%. The increase is directly related to the increase in usage, additional personnel, and increased capital maintenance costs for the aging system.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year.

At September 30, 2025, the Town's governmental funds reported combined fund balances of $68,696,469, an increase of $10,535,940 in comparison with the prior year. Approximately 63% of this amount, $43,544,479, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, or committed to indicate that it is: 1) not in spendable form totaled $161,827, 2) restricted for particular purposes totaled $24,769,027 or 3) committed for Westlake Academy campus activities totaled $221,136.

As of the end of the year the general fund reflected a total fund balance of $44,382,427. General fund balance increased by $5,247,129 during the current year. This increase can be attributed to greater than anticipated revenues, caused primarily by sales tax revenues. In addition, current year expenditures were less than appropriations, primarily in general government.

The debt service fund had a deficit fund balance of $72,914 at September 30, 2025, an increase of $39,416 when compared to the previous year. The increase in fund balance is mostly related to greater receipts in property tax revenue than budgeted in the current year. During the year, the fund recorded total principal and interest payments of $3,189,766 and property tax revenue of $1,278,107.

The capital projects fund had an ending fund balance of $4,479,567. The capital projects fund decreased by by $159,515 when compared to the previous year. The decrease is primarily due to the reclassification of donations held for the Arts & Sciences expansion.

The 4B EDC fund reflected an ending fund balance of $7,046,776. The fund balance increased by $2,314,687, which is primarily a result of sales tax revenues exceeding planned expenditures in the current year.

The Westlake Academy fund reflected an ending fund balance of $2,394,529, a net increase of $299,655 compared to the prior year. The increase is primarily due to expenditures overall being less than budgeted, as positive variances were experienced across all functions. This increase was partially offset by a restatement of beginning balances to correct a misalignment between the employment contract terms and the changed fiscal year.

The Westlake Academy expansion capital projects fund reflected an ending fund balance of $9,094,757, an increase of $2,750,783. The increase primarily resulted from bond proceeds received in the current year.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Town's utility fund totaled $6,726,872. Unrestricted net position at the close of the fiscal year for both the Town's proprietary funds amounted to $14,989,584, an increase of $1,672,451 over the previous year. Total investment in capital assets, net of related debt, was a deficit of $8,262,712, and capital assets, net of depreciation, totaled $8,825,195.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues of $20,628,339 exceed budgeted revenues of $19,520,000 by $1,108,339. The positive variance was primarily the result of higher investment returns. Total budgeted expenditures of $14,339,340 were greater than actual expenditures of $13,245,607, resulting in a positive expenditure variance of $1,093,733. The variance in total expenditures was primarily due to positive variances within the general government, public safety, and education departments. Expenditures did not exceed appropriations at the legal level of control.

CAPITAL ASSETS

As of the end of the year, the Town's governmental activities funds had invested $81,475,034 in a variety of capital assets and infrastructure, net of accumulated depreciation. The Town's business-type activities funds had invested $8,825,195 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, machinery and equipment, water and sewer system, and infrastructure.

Major capital asset events during the current year include the following:

- Westlake Academy field renovations for $1,574,250
- Purchase of a replacement fire engine to be delivered by FY2028 for $1,286,032

- Replacement SCADA system for $319,000
- Playground improvements on campus for $145,779
- Initial costs for the Arts & Sciences expansion at $86,700

More detailed information about the Town's capital assets is presented in note 4.C to the financial statements.

LONG-TERM DEBT

The Town's outstanding general obligation bonds, certificate of obligation bonds, contractual obligations, tax notes, notes payable, and lease liabilities, net of all premiums and discounts increased by $1,359,864 for governmental activities and increased by $4,921,012 for business-type activities from the prior year. The total outstanding debt at the close of the fiscal year, was $33,370,127 for governmental-activities and $22,514,095 for business-type activities.

More detailed information about the Town's long-term liabilities is presented in note 4.E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mayor and Town Council are committed to maintaining and improving the overall wellbeing of the Town of Westlake, and improving services provided to their citizens. The Town is budgeting for steady economic growth in the upcoming year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Westlake Director of Finance, 1500 Solana Blvd., Westlake, Texas, 76262. This information can also be accessed on the Town of Westlake's website at www.westlaketx.gov.

BASIC FINANCIAL STATEMENTS

TOWN OF WESTLAKE, TEXAS

Statement of Net Position
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 65,952,557	$ 21,653,839	$ 87,606,396
Restricted cash	408,309	169,385	577,694
Receivables, net	4,013,910	1,157,606	5,171,516
Inventory	-	79,795	79,795
Internal balances	111,211	(111,211)	-
Prepaid and other assets	161,827	79,388	241,215
Total Current Assets	70,647,814	23,028,802	93,676,616
Noncurrent Assets:			
Investments	1,999,658	-	1,999,658
Capital Assets:			
Non-depreciable	13,935,760	329,030	14,264,790
Net depreciable capital assets	67,539,274	8,496,165	76,035,439
Total Capital Assets	81,475,034	8,825,195	90,300,229
Total Noncurrent Assets	83,474,692	8,825,195	92,299,887
Total Assets	154,122,506	31,853,997	185,976,503
Deferred Outflows of Resources			
Deferred outflows - TMRS pension	500,117	49,462	549,579
Deferred outflows - TMRS OPEB	1,917	190	2,107
Deferred outflows - TRS pension	1,494,500	-	1,494,500
Deferred outflows - TRS OPEB	1,005,826	-	1,005,826
Deferred loss on refunding	188,788	-	188,788
Total Deferred Outflows of Resources	3,191,148	49,652	3,240,800

(continued)

TOWN OF WESTLAKE, TEXAS

Statement of Net Position
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
(continued)			
Liabilities			
Current liabilities:			
Accounts payable	$ 1,371,548	$ 1,017,458	$ 2,389,006
Accrued liabilities	827,837	69,206	897,043
Customer deposits	-	344,385	344,385
Accrued interest payable	141,783	203,824	345,607
Unearned revenue	1,388,234	286,964	1,675,198
Compensated absences - current	847,528	26,913	874,441
Long-term debt due within one year	2,590,083	607,574	3,197,657
Total Current Liabilities	7,167,013	2,556,324	9,723,337
Noncurrent liabilities:			
Long-term debt due in more than one year	30,780,044	21,856,121	52,636,165
Compensated absences - noncurrent	94,170	2,992	97,162
OPEB liability - TRS	2,036,082	-	2,036,082
OPEB liability - TMRS	93,928	9,290	103,218
Net pension liability - TMRS	1,088,106	107,615	1,195,721
Net pension liability - TRS	4,148,753	-	4,148,753
Total Noncurrent Liabilities	38,241,083	21,976,018	60,217,101
Total Liabilities	45,408,096	24,532,342	69,940,438
Deferred Inflows of Resources			
Deferred inflows - TMRS pension	286,759	28,361	315,120
Deferred inflows - TMRS OPEB	19,656	1,944	21,600
Deferred inflows - TRS pension	128,997	-	128,997
Deferred inflows - TRS OPEB	1,690,217	-	1,690,217
Deferred gain on refunding	56,541	83,812	140,353
Total Deferred Inflows of Resources	2,182,170	114,117	2,296,287
Net Position			
Net investment in capital assets	52,277,554	(8,262,712)	44,014,842
Restricted for:			
Capital projects	10,335,394	-	10,335,394
Public safety	328,567	-	328,567
Visitor services	873,057	-	873,057
Future projects	7,063,855	-	7,063,855
Education	2,127,754	-	2,127,754
Improvements	-	50,000	50,000
Unrestricted	36,717,207	15,469,902	52,187,109
Total Net Position	$ 109,723,388	$ 7,257,190	$ 116,980,578

See Notes to Financial Statements.

THE TOWN OF
WESTLAKE
DISTINCTIVE BY DESIGN

TOWN OF WESTLAKE, TEXAS

Statement of Activities

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary Government							
Governmental Activities							
General government	$ 4,345,622	$ -	$ -	$ 255,500	$ (4,090,122)	$ -	$ (4,090,122)
Public safety	5,366,065	-	-	-	(5,366,065)	-	(5,366,065)
Cultural recreation	374,372	-	-	-	(374,372)	-	(374,372)
Public works	3,872,176	2,343,266	-	-	(1,528,910)	-	(1,528,910)
Visitor services	434,138	-	-	-	(434,138)	-	(434,138)
Education	14,391,930	78,661	10,733,592	1,009,494	(2,570,183)	-	(2,570,183)
Interest on long-term debt	1,033,999	-	-	-	(1,033,999)	-	(1,033,999)
Total Governmental Activities	29,818,302	2,421,927	10,733,592	1,264,994	(15,397,789)	-	(15,397,789)
Business-Type Activities							
Water and sewer	8,272,376	9,224,075	-	-	-	951,699	951,699
Cemetery	33,923	58,575	-	-	-	24,652	24,652
Total Business-Type Activities	8,306,299	9,282,650	-	-	-	976,351	976,351
Total Primary Government	$ 38,124,601	$ 11,704,577	$ 10,733,592	$ 1,264,994	(15,397,789)	976,351	(14,421,438)
		General Revenues:					
		Taxes					
		Property taxes			4,357,604	-	4,357,604
		Sales tax			16,048,173	-	16,048,173
		Franchise and local taxes			1,146,964	-	1,146,964
		Occupancy tax			549,850	-	549,850
		Other revenues			188,236	-	188,236
		Investment income			2,688,157	740,439	3,428,596
		Total General Revenues and Transfers			**24,978,984**	**740,439**	**25,719,423**
		Change in Net Position			9,581,195	1,716,790	11,297,985
		Prior year ending net position, as reported			100,405,224	5,540,400	105,945,624
		Correction of an error			(263,031)	-	(263,031)
		Restated beginning Net Position			100,142,193	5,540,400	105,682,593
		Ending Net Position			**$ 109,723,388**	**$ 7,257,190**	**$ 116,980,578**

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS
Balance Sheet
Governmental Funds
September 30, 2025

	General	Debt Service	Capital Projects
Assets			
Cash and investments	$ 43,897,463	$ 9,235	$ 4,484,398
Restricted cash	408,309	-	-
Accounts receivable, net	235,660	28,091	-
Due from other governments	1,603,532	-	-
Due from other funds	208,144	-	-
Prepaids	104,624	-	-
Total Assets	$ 46,457,732	$ 37,326	$ 4,484,398
Liabilities			
Accounts payable	$ 523,958	$ -	$ 1,200
Accrued liabilities	132,408	-	3,631
Due to other funds	4,489	96,933	-
Unearned revenue	1,383,322	-	-
Total Liabilities	2,044,177	96,933	4,831
Deferred Inflows of Resources			
Unavailable revenue - property taxes	31,128	13,307	-
Unavailable revenue - due from state	-	-	-
Total Deferred Inflows of Resources	31,128	13,307	-
Fund Balances			
Nonspendable:			
Prepaids	104,624	-	-
Restricted for:			
Capital projects	-	-	4,479,567
Public safety	328,567	-	-
Visitor services	-	-	-
Future projects	-	-	-
Education	-	-	-
Committed for:			
Education	-	-	-
Unassigned	43,949,236	(72,914)	-
Total Fund Balances	44,382,427	(72,914)	4,479,567
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 46,457,732	$ 37,326	$ 4,484,398

See Notes to Financial Statements.

4B EDC	Westlake Academy *	Westlake Academy Expansion Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ 6,608,575	$ 1,674,664	$ 9,229,951	$ 2,047,929	$ 67,952,215
-		-	-	408,309
-	15,108	-	-	278,859
438,245	1,630,651	-	62,623	3,735,051
-	-	-	16,713	224,857
-	45,639	-	11,564	161,827
$ 7,046,820	$ 3,366,062	$ 9,229,951	$ 2,138,829	$ 72,761,118
$ 44	$ 57,936	$ 58,019	$ 730,391	$ 1,371,548
-	594,648	77,175	19,975	827,837
-	-	-	12,224	113,646
-	-	-	4,912	1,388,234
44	652,584	135,194	767,502	3,701,265
-		-	-	44,435
-	318,949	-	-	318,949
-	318,949	-	-	363,384
-	45,639	-	11,564	161,827
-	-	9,094,757	801,470	14,375,794
-	-	-	-	328,567
-	-	-	873,057	873,057
7,046,776	-	-	17,079	7,063,855
-	2,127,754	-	-	2,127,754
-	221,136	-	-	221,136
-	-	-	(331,843)	43,544,479
7,046,776	2,394,529	9,094,757	1,371,327	68,696,469
$ 7,046,820	$ 3,366,062	$ 9,229,951	$ 2,138,829	$ 72,761,118

* Westlake Academy is as of June 30, 2025.

See Notes to Financial Statements.

THE TOWN OF
WESTLAKE
DISTINCTIVE BY DESIGN

TOWN OF WESTLAKE, TEXAS

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
September 30, 2025

Fund Balances - Total Governmental Funds	$	68,696,469
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		13,935,760
Capital assets - net depreciable		67,539,274
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		363,384
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - TMRS pension		500,117
Deferred outflows - TMRS OPEB		1,917
Deferred outflows - TRS pension		1,494,500
Deferred outflows - TRS OPEB		1,005,826
Deferred inflows - TMRS pension		(286,759)
Deferred inflows - TMRS OPEB		(19,656)
Deferred inflows - TRS pension		(128,997)
Deferred inflows - TRS OPEB		(1,690,217)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(141,783)
Deferred charges on bond refunding, net		132,247
Bond premium		(1,133,806)
Net pension liability - TMRS		(1,088,106)
Net pension liability - TRS		(4,148,753)
OPEB liability - TMRS		(93,928)
OPEB liability - TRS		(2,036,082)
Compensated absences		(941,698)
Non-current liabilities due in one year		(2,590,083)
Non-current liabilities due in more than one year		(29,646,238)
Net Position of Governmental Activities	$	109,723,388

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2025

	General	Debt Service	Capital Projects
Revenues			
Taxes			
Property tax	$ 3,039,753	$ 1,278,107	$ -
Sales tax	12,055,863	-	-
Occupancy tax	-	-	-
Franchise and local taxes	1,146,964	-	-
State program revenues	-	-	-
Federal program revenues	-	-	-
License and permits	1,862,524	-	-
Grants/contributions	500	-	-
Local and intermediate sources	-	-	-
Fines and forfeitures	480,742	-	-
Investment income	1,853,757	-	192,197
Other revenue	188,236	-	-
Total Revenues	20,628,339	1,278,107	192,197
Expenditures			
Current:			
General government	3,477,695	-	-
Public safety	4,562,186	-	-
Cultural recreation	374,372	-	-
Public works	1,951,140	-	-
Visitor services	-	-	-
Education	1,425,636	-	215
Debt Service:			
Principal	-	2,164,600	-
Interest and fiscal charges	-	1,025,166	-
Bond issuance costs	-	3,600	-
Capital outlay	1,454,578	-	32,467
Total Expenditures	13,245,607	3,193,366	32,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,382,732	(1,915,259)	159,515
Other Financing Sources (Uses)			
Transfers in	-	1,954,675	-
Transfers (out)	(1,888,249)	-	-
Bond proceeds	-	-	-
Premium on bonds issued	-	-	-
Total Other Financing Sources (Uses)	(1,888,249)	1,954,675	-
Net Change in Fund Balances	5,494,483	39,416	159,515
Beginning fund balances, as previously stated	39,135,298	(112,330)	7,581,154
Change within financial reporting entity	(247,354)	-	(3,261,102)
Prior year correction	-	-	-
Beginning fund balances, as restated	38,887,944	(112,330)	4,320,052
Ending Fund Balances	$ 44,382,427	$ (72,914)	$ 4,479,567

See Notes to Financial Statements.

4B EDC	Westlake Academy *	Westlake Academy Expansion Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 4,317,860
3,992,310	-	-	-	16,048,173
-	-	-	549,850	549,850
-	-	-	-	1,146,964
-	8,812,902	-	-	8,812,902
-	45,163	-	-	45,163
-	-	-	-	1,862,524
-	-	-	255,000	255,500
-	2,082,440	-	-	2,082,440
-	-	-	-	480,742
280,181	-	320,363	41,659	2,688,157
-	-	-	-	188,236
4,272,491	10,940,505	320,363	846,509	38,478,511
3,129	-	-	831,735	4,312,559
-	-	-	-	4,562,186
-	-	-	-	374,372
-	-	-	-	1,951,140
-	-	-	434,138	434,138
-	11,899,844	-	-	13,325,695
-	202,844	-	-	2,367,444
-	11,615	-	-	1,036,781
-	-	52,510	-	56,110
-	-	1,864,980	-	3,352,025
3,129	12,114,303	1,917,490	1,265,873	31,772,450
4,269,362	(1,173,798)	(1,597,127)	(419,364)	6,706,061
-	1,736,484	255,000	151,765	4,097,924
(1,954,675)	-	-	(255,000)	(4,097,924)
-	-	3,990,000	-	3,990,000
-	-	102,910	-	102,910
(1,954,675)	1,736,484	4,347,910	(103,235)	4,092,910
2,314,687	562,686	2,750,783	(522,599)	10,798,971
4,732,089	2,094,874	3,082,872	1,646,572	58,160,529
-	-	3,261,102	247,354	-
-	(263,031)	-	-	(263,031)
4,732,089	1,831,843	6,343,974	1,893,926	57,897,498
$ 7,046,776	$ 2,394,529	$ 9,094,757	$ 1,371,327	$ 68,696,469

* Westlake Academy is for the year ended June 30, 2025.

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2025

Net changes in fund balances - total governmental funds	$	10,798,971
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		3,350,824
Depreciation expense		(2,901,978)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		316,247
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(193,232)
Accrued interest		(25,536)
Pension expense change		(367,683)
OPEB expense change		244,580
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Amortization of deferred loss on refunding		(42,887)
Amortization of premium		127,355
Principal payments on long-term debt		2,367,444
Bonds issued		(3,990,000)
Bond Premiums		(102,910)
Change in Net Position of Governmental Activities	$	9,581,195

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS

Statement of Net Position
Proprietary Funds
September 30, 2025

	Utility Fund	Nonmajor Cemetery Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 21,199,586	$ 454,253	$ 21,653,839
Restricted cash and investments	169,385	-	169,385
Receivables, net	1,157,186	420	1,157,606
Inventory	-	79,795	79,795
Prepaid and other assets	79,388	-	79,388
Total Current Assets	22,605,545	534,468	23,140,013
Noncurrent assets:			
Capital assets:			
Non-depreciable	329,030	-	329,030
Net depreciable capital assets	8,496,165	-	8,496,165
Total Noncurrent Assets	8,825,195	-	8,825,195
Total Assets	31,430,740	534,468	31,965,208
Deferred Outflows of Resources			
Deferred outflows - TMRS pension	49,462	-	49,462
Deferred outflows - TMRS OPEB	190	-	190
Total Deferred Outflows of	49,652	-	49,652

(continued)

TOWN OF WESTLAKE, TEXAS

Statement of Net Position
Proprietary Funds
September 30, 2025

	Utility Fund	Nonmajor Cemetery Fund	Total
(continued)			
Liabilities			
Current liabilities:			
Accounts payable	$ 1,013,308	$ 4,150	$1,017,458
Accrued liabilities	69,206	-	69,206
Customer deposits	344,385	-	344,385
Accrued interest payable	203,824	-	203,824
Unearned revenue	286,964	-	286,964
Due to other funds	111,211	-	111,211
Compensated absences - current	26,913	-	26,913
Long-term debt due within one year	607,574	-	607,574
Total Current Liabilities	2,663,385	4,150	2,667,535
Noncurrent liabilities:			
Long-term debt due beyond one year	21,856,121	-	21,856,121
Compensated absences - noncurrent	2,992	-	2,992
OPEB liability - TMRS	9,290	-	9,290
Net pension liability - TMRS	107,615	-	107,615
Total Noncurrent Liabilities	21,976,018	-	21,976,018
Total Liabilities	24,639,403	4,150	24,643,553
Deferred inflows - TMRS pension	28,361	-	28,361
Deferred inflows - TMRS OPEB	1,944	-	1,944
Deferred gain on refunding	83,812	-	83,812
Total Deferred Inflows of Resources	114,117	-	114,117
Net investment in capital assets	(8,262,712)	-	(8,262,712)
Restricted for improvements	-	50,000	50,000
Unrestricted	14,989,584	480,318	15,469,902
Total Net Position	$ 6,726,872	$ 530,318	$ 7,257,190

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2025

	Utility Fund	Nonmajor Cemetery Fund	Total
Operating Revenues			
Charges for services	$ 9,149,055	$ 58,050	$ 9,207,105
Other revenues	75,020	525	75,545
Total Operating Revenues	9,224,075	58,575	9,282,650
Operating Expenses			
Salaries and benefits	680,476	-	680,476
Supplies and materials	49,010	-	49,010
Repairs and maintenance	739,579	5,151	744,730
Utilities	5,427,058	27,480	5,454,538
Other operating expenses	27,492	-	27,492
Depreciation	611,152	-	611,152
Total Operating Expenses	7,534,767	32,631	7,567,398
Operating Income (Loss)	1,689,308	25,944	1,715,252
Nonoperating Revenues (Expenses)			
Investment income	720,752	19,687	740,439
Interest and fiscal expense	(737,609)	(1,292)	(738,901)
Total Nonoperating Revenues (Expenses)	(16,857)	18,395	1,538
Change in Net Position	1,672,451	44,339	1,716,790
Beginning net position	5,054,421	485,979	5,540,400
Ending Net Position	$ 6,726,872	$ 530,318	$ 7,257,190

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Utility Fund	Nonmajor Cemetery Fund	Total
Cash Flows from Operating Activities			
Payments to employees	$ (589,314)	$ -	$ (589,314)
Payments to suppliers	(5,900,491)	(31,340)	(5,931,831)
Receipts from customers	9,196,715	58,575	9,255,290
Net Cash Provided by Operating Activities	2,706,910	27,235	2,734,145
Cash Flows from Noncapital and Related Financing Activites			
Borrowing from other funds	111,211	-	111,211
Net Cash Provided by Noncapital and Related Financing Activities	111,211	-	111,211
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(734,807)	-	(734,807)
Interest paid on capital debt	(640,661)	-	(640,661)
Principal paid on capital debt	(521,400)	-	(521,400)
Principal paid on lease liabilities	(57,471)	-	(57,471)
Proceeds from issuance of capital debt	5,532,114	-	5,532,114
Net Cash Provided by Capital and Related Financing Activities	3,577,775	-	3,577,775
Cash Flows from Investing Activities			
Interest on investments	720,752	18,395	739,147
Net Cash Provided by Investing Activities	720,752	18,395	739,147
Net Increase in Cash and Cash Equivalents	7,116,648	45,630	7,162,278
Beginning cash and cash equivalents	14,252,323	408,623	14,660,946
Ending Cash and Cash Equivalents	$ 21,368,971	$ 454,253	$ 21,823,224
Cash and cash equivalents:			
Unrestricted Cash and cash equivalents	$ 21,199,586	$ 454,253	$ 21,653,839
Restricted cash and investments	169,385	-	169,385
Total Cash and Cash Equivalents	$ 21,368,971	$ 454,253	$ 21,823,224

(continued)

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

(continued)

	Utility Fund	Nonmajor Cemetery Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	$ 1,689,308	$ 25,944	$ 1,715,252
Adjustments to reconcile operating income to net cash provided by operating activites:			
Depreciation	611,152	-	611,152
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(28,901)	-	(28,901)
Inventory	-	1,292	1,292
Prepaid	(79,388)	-	(79,388)
Increase (Decrease) in:			
Accounts payable	422,036	(1)	422,035
Accrued liabilities	49,334	-	49,334
Customer deposits	41,330	-	41,330
Unearned revenue	(39,789)	-	(39,789)
Compensated absences	26,762	-	26,762
Pension inflows	12,219	-	12,219
OPEB inflows	2,847	-	2,847
Net Cash Provided by Operating Activities	$ 2,706,910	$ 27,235	$ 2,734,145

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS

Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2025

	Trust Fund Private Purpose Solana PID
Assets	
Current Assets:	
Cash and cash equivalents	$ 5,219,796
Special assessment receivable - current	520,000
Total Current Assets	5,739,796
Noncurrent Assets:	
Special assessment receivable - noncurrent	19,540,000
Total Assets	25,279,796
Liabilities	
Noncurrent Liabilities:	
Long-term debt	20,060,000
Total Liabilities	20,060,000
Net Position	
Restricted for public improvement district	5,219,796
Total Net Position	$ 5,219,796

See Notes to Financial Statements.

TOWN OF WESTLAKE, TEXAS

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2025

	Trust Fund Private Purpose Solana PID
Additions	
Investment earnings	$ 256,394
Special assessment collections	2,339,811
Total Additions	2,596,205
Deductions	
Payment to developer	133,235
Administrative expenses	9,300
Interest expenses	1,299,465
Total Deductions	1,442,000
Change in Net Position	1,154,205
Beginning net position, as previously stated	6,355,591
Prior year correction	(2,290,000)
Beginning net position, as restated	4,065,591
Ending Net Position	$ 5,219,796

See Notes to Financial Statements.

THE TOWN OF
WESTLAKE
DISTINCTIVE BY DESIGN

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Westlake, Texas (the "Town") was incorporated under the provisions of the laws of the State of Texas on December 26, 1956. The Town operates under a Council - Manager form of government and provides the following services as authorized by the laws of the State of Texas: public safety; cultural and recreation; and economic development.

The Town prepares its basic financial statements in conformity with accounting principles generally accepted in the United States of America applicable to state and local governments, with the exception of omitting two discretely presented component units. These component units have been omitted from the Town's basic financial statements due to timing constraints, as the audit for both discretely presented component units are in progress and not complete at the time of the Town's mandated financial reporting deadline. Generally Accepted Accounting Principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"). The more significant accounting policies of the Town are described below.

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, certain legally separate component units for which the primary government is financially accountable are not included in these basic financial statements of the primary government.

Financial Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are normally reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. However, two discretely presented component units, have been omitted from these basic financial statements.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

1. Blended Component Units

4B Economic Development Corporation

4B Economic Development Corporation is a Texas nonprofit industrial corporation under the Development Corporation Act of 1979 formed to promote economic development within the Town and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the Town by developing, implementing, financing, and providing one or more projects defined and permitted under Section 4B of the Act. The board of directors is composed of seven persons appointed by the members of the Town's governing board. Four of the members of the board of directors are members of the Town's governing board. Since the board of directors is substantively the same as the Town's governing body, and a financial benefit relationship exists, the entity has been reported as a blended component unit of the Town. This component unit is presented as a major governmental fund for the current fiscal year.

Westlake Academy

Westlake Academy (the "Academy") is an open-enrollment charter school, as provided by Subchapter D, Chapter 12, of the Texas Education Code. The Town of Westlake (Charter Holder) applied for and became the first municipality in Texas to ever receive this special charter designation. The board consists of six trustees and is appointed by the Town's governing body. Currently, all the members of the board of trustees are members of the Town's governing body. Since the board of directors is substantively the same as the Town's governing body, and a financial benefit relationship exists, the entity has been reported as a blended component unit of the Town. The Academy's year-end is June 30. This component unit is presented as a major governmental fund for the current fiscal year.

2. Discretely Presented Component Units

Texas Student Housing Entities

The Texas Student Housing ("TSH") Authority and the Texas Student Housing Corporation – Denton Project (collectively, Texas Student Housing Entities) are Texas nonprofit organizations as a duly constituted authority of the Town pursuant to Section 53.35(b) of the Texas Education Code, as amended (Act). Texas Student Housing Entities' primary purpose is to construct, own, and operate student housing facilities on college campuses in Texas. The boards consist of seven directors which are appointed by the Town's governing body and has the ability to remove at will

the appointed members; thus, the governing body can impose its will on the organizations. However, the board is not substantively the same as the Town's governing body; therefore, the Texas Student Housing Entities are reported as discretely presented component units (enterprise funds). Due to timing constraints, the financial statements of the Texas Student Housing Entities have been omitted from these basic financial statements. The Town is not responsible for the long-term debt of the Texas Student Housing Entities. The Texas Student Housing Entities' years-end are August 31.

Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has omitted its discretely presented component units from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

1. Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The government reports the following major governmental funds:

General Fund

The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The General Fund includes the Town's Major Maintenance and Replacement Fund, Vehicle Replacement Fund, and PID (local) Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the Town. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Fund

The Capital Projects Fund is used to account for proceeds from long-term financing and revenue and expenditures related to authorized construction and other capital asset acquisitions other than those related to the expansion of Westlake Academy facilities.

4B EDC Fund

The 4B EDC Fund accounts for the economic development corporation's activities, a blended component unit.

Westlake Academy Fund

The Westlake Academy Fund accounts for the education activities of the blended component unit.

Westlake Academy Expansion Capital Projects Fund

The Westlake Academy Expansion Capital Projects Fund is used to account for proceeds from long-term financing and revenue and expenditures related to authorized construction related to the expansion of Westlake Academy facilities.

Additionally, the Town reports for the following fund types:

Special Revenue Funds

The Town accounts for resources restricted to, or designed for, specific purposes in a special revenue fund.

2. Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non- operating revenues and expenses. The proprietary fund types used by the Town include enterprise funds.

The government reports the following major proprietary funds:

Utility Fund

The Utility fund is utilized to account for revenues and expenses related to providing water and sewer services to the general public on a continuing basis.

3. Fiduciary Funds

The Solana PID private purpose trust fund accounts for bond proceeds, assessments, and related debt associated with bonds issued by the Town as an agent for the Solana Public Improvement District.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure- driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Private-purpose trust funds use the economic resources measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The Town's cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Because

the Town, at its option, can withdraw funds within a twenty-four hour period from TexPool and Texas Class, these investments are considered to be cash equivalents.

State statutes authorize the Town to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) – (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the Town, and placed through a primary government securities dealer. The Town's investments are governed by the same state statutes.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

2. Fair Value

The Town has applied Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources. There are no advances reported in the basic financial statements at September 30, 2025.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventory is carried at historical cost using the

first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Restricted Assets

Certain proceeds of governmental and enterprise fund cash and investments are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, legal restrictions, or restrictions in place by outside parties.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business- type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $5,000 and an estimated useful life of three years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession are recorded at acquisition value on the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Buildings	20-50 Years
Improvements other than buildings	5-30 Years
Machinery and equipment	3-30 Years
Information systems and software	3 Years
Infrastructure (water and sewer system)	10-50 Years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has an item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds

balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension and OPEB actuarial valuation model.

8. Compensated Absences

The Town's policy provides vacation and sick leave to be accrued at the start of employment. Employees earn 10 days of vacation and 10 days of sick leave between one year and five years of service. After completion of 5 years of service, 15 days of vacation and 15 days of sick leave per year are earned. After completion of 10 years of service, 20 days of vacation and 20 days of sick leave per year are earned. Unused vacation hours are paid upon termination or retirement at the employee's normal hourly rate.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Leases

The Town is a lessee for a noncancellable lease of a building and office equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the government-wide financial statements. The Town recognizes lease liabilities with an individual value of $10,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

11. Pensions

For purposes of measuring the net pension liabilities, related deferred outflows and inflows of resources, and pension expense, the Town's specific information about its Fiduciary Net Position in the Texas Municipal Retirement System ("TMRS") and Teachers Retirement System ("TRS") and additions to/deductions from the Town's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS and TRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For TMRS, information regarding the Town's Total Pension Liability is obtained from TMRS through reports prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

For TRS, information regarding the Town's Total Pension Liability is obtained from TRS which is a cost-sharing multi-employer defined benefit plan. Reports prepared are in compliance with GASB Statement No. 68.

12. Other Postemployment Benefits ("OPEB")

The Town has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The

TMRS SDB covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDB is considered to be an unfunded OPEB plan. For purposes of reporting under GASB No. 75, the retiree portion of the SDB is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

For TRS, information regarding the Town's Total OPEB Liability is obtained from TRS which is a cost-sharing multi-employer defined benefit plan. Reports prepared are in compliance with GASB Statement No. 75.

13. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

14. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than

the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

15. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish

limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (Council) has by resolution authorized the Director of Finance and Financial Services to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The general fund is the only fund that reports a positive unassigned fund balance amount.

16. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the Town.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all governmental funds, with the exception of Solana PID capital projects, which is a project-length based budget. The original budget is adopted by the Town Council prior to the beginning of the year. The legal level of control as defined by the Council-approved policy is the fund level. No funds can be transferred or added which affect the total fund expenditures without Town Council approval. Appropriations lapse at the end of the year.

As of September 30, 2025, expenditures exceeded appropriations at the legal level of control (fund level) as follows:

4B Economic Development Corporation	$14,376
Economic Development	$725,222
Debt Service Fund	$8,244
Capital Projects Fund	$2,682
Westlake Academy Expansion Capital Projects	$97,490

A. Restricted Net Position

The Town records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted net position for the primary government was $20,778,627, of which $328,567 is restricted by enabling legislation.

B. Deficit Equity

At September 30, 2025, the Debt Service and Economic Development Funds had deficit fund balances of $72,914 and $325,806, respectively. The deficit balances will be eliminated in the future through reduction of expenses, increase in revenues, or reimbursements from other funds.

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by

U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The Town's cash deposits at September 30, 2025 and during the year ended September 30, 2025 were entirely covered by FDIC insurance or by pledged collateral held by the Town's agent bank in the Town's name.

Legal and contractual provisions governing deposits and investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Town to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, and (8) investment staff quality and capabilities.

The Act also requires the Town to have independent auditors perform test procedures related to investment practices as provided by the Act. The Town is in substantial compliance with the requirements of the Act and with local policies.

As of September 30, 2025, the Town had the following investments:

Investment Type	Carrying Value	Weighted Average Maturity (Years)
Investment Pools:		
TexPool investment	$ 105	0.070
TexasClass investment	27,826,419	0.100
Total Investment Pools	27,826,524	
Debt Securities:		
United States Treasury Notes	1,999,658	1.035
Total Debt Securities	1,999,658	
Total Investments	$ 29,826,182	

Interest rate risk: In compliance with the Town's Investment Policy, as of September 30, 2025, the Town minimized the interest rate risk, related to current events market turmoil in the portfolio by: In order to limit interest and market rate risk from changes in interest rates, the Town's investment policy sets a maximum stated maturity limit of two years for obligations of the United States Government, its agencies and instrumentalities (excluding mortgage backed securities) and one year for fully insured or collateralized certificates of deposit. No more than 80% of the Town's monthly average balance may be invested in money market funds. Additionally, the Town invests in an investment pool that purchases a combination of shorter- term investments with an average maturity of 31 days thus reducing the interest rate risk.

Credit risk: The Town's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAm, or equivalent, by at least one nationally recognized rating service. As of September 30, 2025, all of the Town's purchased investments in U.S. Agencies Obligations were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2025, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy requires that it will seek to safeguard securities at financial institutions, avoiding physical possession.

Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the Town's safeguard account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2025, the fair value of the position in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Finally, Standard & Poor's rate Texas CLASS AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

As of September 30, 2025, the Town held U.S. Treasury notes with a fair value of $1,999,658, measured on a recurring basis using Level 2 valuation inputs.

B. Receivables

The following comprise receivable balances of the primary government at September 30, 2025:

	Governmental Activities					
	General	Westlake Academy*	Debt Service	4B EDC	Nonmajor Governmental	Total
Property taxes	$ 54,930	$ -	$ 28,562	$ -	$ -	$ 83,492
Sales tax	1,314,739	-	-	438,245	-	1,752,984
Franchise taxes	288,793	-	-	-	-	288,793
Hotel occupancy	-	-	-	-	62,623	62,623
Due from other governments	-	1,630,651	-	-	-	1,630,651
Other	222,313	15,108	-	-	-	237,421
Allowance	(41,583)	-	(471)	-	-	(42,054)
Total	$ 1,839,192	$ 1,645,759	$ 28,091	$ 438,245	$ 62,623	$ 4,013,910

* As of June 30, 2025

	Business-Type Activities		
	Utility Fund	Cemetery Fund	Total
Accounts	$ 1,178,824	$ 420	$ 1,179,244
Allowance	(21,638)	-	(21,638)
Total	$ 1,157,186	$ 420	$ 1,157,606

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 12,446,059	$ -	$ -	$ 12,446,059
Construction in progress	-	1,489,701	-	1,489,701
Total capital assets not being depreciated	12,446,059	1,489,701	-	13,935,760
Capital assets, being depreciated:				
Capital improvements	41,041,443	1,776,838	-	42,818,281
Buildings	48,443,354	31,482	-	48,474,836
Machinery and equipment	6,250,170	-	-	6,250,170
Information systems and software	1,691,910	85,899	-	1,777,809
Right of use assets - Town	2,160,094	-	-	2,160,094
Right of use assets - Academy	840,769	54,288	(840,769)	54,288
Total capital assets being depreciated	100,427,740	1,948,507	(840,769)	101,535,478
Less accumulated depreciation				
Capital improvements	(11,372,245)	(1,130,712)	-	(12,502,957)
Buildings	(12,603,725)	(1,097,175)	-	(13,700,900)
Machinery and equipment	(5,123,434)	(222,659)	-	(5,346,093)
Information systems and software	(1,183,721)	(96,586)	-	(1,280,307)
Right of use assets - Town	(841,933)	(324,014)	-	(1,165,947)
Right of use assets - Academy	(809,937)	(30,832)	840,769	-
Total accumulated depreciation	(31,934,995)	(2,901,978)	840,769	(33,996,204)
Net capital assets being depreciated	68,492,745	(953,471)	-	67,539,274
Total capital assets	$ 80,938,804	$ 536,230	$ -	$ 81,475,034

Depreciation expense was charged to governmental functions as follows:

General government	$ 317,405
Public safety	638,435
Public works	1,915,306
Education	30,832
Total Governmental Activities Depreciation Expense	$ 2,901,978

A summary of changes in business-type activities capital assets the year ended September 30,2025 was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Construction in progress	$ 329,030	$ -	$ -	$ 329,030
Total capital assets not being depreciated	329,030	-	-	329,030
Capital assets, being depreciated:				
Capital improvements	14,985,259	-	-	14,985,259
Wastewater treatment rights	635,199	-	-	635,199
Machinery and equipment	3,887,360	734,807	-	4,622,167
Right of use assets	381,193	-	-	381,193
Total capital assets being depreciated	19,889,011	734,807	-	20,623,818
Less accumulated depreciation				
Capital improvements	(7,693,329)	(361,819)	-	(8,055,148)
Wastewater treatment rights	(635,199)	-	-	(635,199)
Machinery and equipment	(3,020,196)	(190,166)	-	(3,210,362)
Right of use assets	(167,777)	(59,167)	-	(226,944)
Total accumulated depreciation	(11,516,501)	(611,152)	-	(12,127,653)
Net capital assets being depreciated	8,372,510	123,655	-	8,496,165
Total capital assets	$ 8,701,540	$ 123,655	$ -	$ 8,825,195

Depreciation expense was charged to business-type activities as follows:

Water and Sewer	$ 611,152
Total Business-Type Activities Depreciation Expense	$ 611,152

D. Other Long-term Liabilities

The following summarizes the changes in other long-term liabilities of the primary government during the year. The general and utility fund has typically been used to liquidate the liability for compensated absences for governmental activities and business-type activities, respectively.

	Beginning Balances (Restated)	Increases*	Decreases*	Ending Balances	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 761,400	$ 180,298	$ -	$ 941,698	$ 847,528
Total Governmental Activities	$ 761,400	$ 180,298	$ -	$ 941,698	$ 847,528
			Other long-term liabilities due in more than one year	$ 94,170	
Business-Type Activities:					
Compensated Absences	$ 9,561	$ 20,344	$ -	$ 29,905	$ 26,913
Total Business-Type Activities	$ 9,561	$ 20,344	$ -	$ 29,905	$ 26,913
			Other long-term liabilities due in more than one year	$ 2,992	

E. Long-term Debt

The Town periodically issues general obligation bonds, certificates of obligation, and tax notes to provide for the acquisition and construction of major capital facilities and infrastructure. Combination tax and revenue certificates of obligation are issued for both governmental and business-type activities. General obligation bonds, governmental revenue bonds and tax notes pledge the full faith and credit of

the Town. The Town also periodically utilizes notes and leases to provide financing for general government purposes. In general, the Town uses the debt service fund and general fund to liquidate governmental long-term liabilities.

The following is a summary of changes in the Town's total long-term liabilities for the year ended September 30, 2025.

	Beginning Balances	Additions	Reductions	Ending Balances	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 9,510,000	$ -	$ (1,105,000)	$ 8,405,000	$ 1,135,000
Certificates of Obligation	16,824,000	3,990,000	(588,600)	20,225,400	611,950
Tax Notes	3,098,000	-	(471,000)	2,627,000	488,000
Less deferred amounts:					
For premiums	1,158,251	102,910	(127,355)	1,133,806	-
Lease liabilities - Academy	169,708	54,288	(169,708)	54,288	17,829
Lease liabilities - Town	1,250,304	-	(325,671)	924,633	337,304
Total Governmental Activities	$ 32,010,263	$ 4,147,198	$ (2,787,334)	$ 33,370,127	$ 2,590,083
		Long-term debt due in more than one year		$ 30,780,044	
Business-Type Activities:					
General Obligation Refunding Bonds	$ 14,165,000	$ -	$ (400,000)	$ 13,765,000	$ 420,000
Certificates of Obligation	2,421,000	5,390,000	(121,400)	7,689,600	128,050
Lease liabilities - Town	220,642	-	(57,471)	163,171	59,524
Less deferred amounts:					
For premiums	736,041	142,114	(32,231)	854,924	-
Total Business-Type Activities	$ 17,542,683	$ 5,532,114	$ (611,102)	$ 22,472,695	$ 607,574
		Long-term debt due in more than one year		$ 21,865,121	

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. Leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

At year end, long-term debt of governmental activities was comprised of the following debt issues:

Description	Interest Rate	Final Maturity	Original Amount	Balance 9/30/2025
Governmental Activities:				
General Obligation Bonds:				
Refunding, Series 2013	2.23%	2028	$ 2,200,000	$ 485,000
Refunding, Series 2014	3.47%	2032	1,910,000	1,495,000
Refunding, Series 2017	3.93%	2032	5,795,000	4,950,000
Refunding, Series 2021	0.61%	2031	4,430,000	1,475,000
			14,335,000	8,405,000
Certificates of Obligation:				
Series 2013*	3.42%	2043	8,294,800	6,105,400
Series 2016	3.39%	2046	9,180,000	7,415,000
Series 2021	1.63%	2041	3,215,000	2,715,000
Series 2025*	5.25%	2055	3,990,000	3,990,000
			24,679,800	20,225,400
Tax Notes				
Tax Note, Series 2023	3.59%	2030	3,552,000	2,627,000
			3,552,000	2,627,000
Lease liabilities				
Town - Terrace at Solana	1.00%	2028	2,160,094	924,633
Academy**	5.00%	2026	54,288	54,288
			2,214,382	978,921
Total			$ 44,781,182	$ 32,236,321

* Issued Certificate of Obligation series allocated across governmental and business type activities
**As of June 30, 2025

Description	Interest Rate	Final Maturity	Original Amount	Balance 9/30/2025
Business-Type Activities:				
General Obligation Bonds:				
Refunding, Series 2022	3.00%	2047	$ 14,920,000	$ 13,765,000
			14,920,000	13,765,000
Certificates of Obligations:				
Series 2013	2.00 - 4.00%	2043	1,025,000	754,600
Series 2018	1.98 - 3.06%	2028	2,100,000	1,545,000
Series 2025	5.25%	2055	5,390,000	5,390,000
			8,515,000	7,689,600
Lease Liabilities				
Town - Terrace at Solana	1.00%	2028	381,193	163,171
			381,193	163,171
Total			$ 23,816,193	$ 21,617,771

The annual requirements to amortize long-term debt outstanding of governmental activities as of September 30, 2025, are as follows:

	General Obligation Refunding Bonds		
Year Ending September 30,	Principal	Interest	Total Requirements
2026	$ 1,135,000	$ 299,513	$ 1,434,513
2027	1,170,000	259,370	1,429,370
2028	1,215,000	217,765	1,432,765
2029	1,190,000	172,750	1,362,750
2030	1,230,000	124,350	1,354,350
2031-2035	2,465,000	100,824	2,565,824
Total	$ 8,405,000	$ 1,174,572	$ 9,579,572

	Certificates of Obligation		
Year Ending September 30,	Principal	Interest	Total Requirements
2026	$ 611,950	$ 779,923	$ 1,391,873
2027	631,400	753,454	1,384,854
2028	650,300	732,214	1,382,514
2029	772,100	708,234	1,480,334
2030	800,450	681,352	1,481,802
2031-2035	4,180,000	2,985,087	7,165,087
2036-2040	4,472,700	2,305,581	6,778,281
2041-2045	3,616,500	1,512,027	5,128,527
2046-2050	1,899,500	1,007,329	2,906,829
2051-2055	2,590,500	386,033	2,976,533
Total	$ 20,225,400	$ 11,851,234	$ 32,076,634

	Tax Notes		
Year Ending September 30,	Principal	Interest	Total Requirements
2026	$ 488,000	$ 85,550	$ 573,550
2027	506,000	67,707	573,707
2028	525,000	49,201	574,201
2029	544,000	30,012	574,012
2030	564,000	10,124	574,124
Total	$ 2,627,000	$ 242,594	$ 2,869,594

Year Ending September 30,	Lease Liabilities - Town		
	Principal	Interest	Total Requirements
2026	$ 337,304	$ 6,725	$ 344,029
2027	349,038	3,737	352,775
2028	238,291	780	239,071
Total	$ 924,633	$ 11,242	$ 935,875

As of September 30, 2025, the total net carrying value of the Town's right to use assets was $994,417.

Year Ending September 30,	Lease Liabilities - Town		
	Principal	Interest	Total Requirements
2026	$ 337,304	$ 6,725	$ 344,029
2027	349,038	3,737	352,775
2028	238,291	780	239,071
Total	$ 924,633	$ 11,242	$ 935,875

As of June 30, 2025, the total net carrying value of the Academy's right to use assets was $54,288.

The annual requirements to amortize long-term debt outstanding of business-type activities as of September 30, 2025, are as follows:

Year Ending September 30,	General Obligation Refunding Bonds		
	Principal	Interest	Total Requirements
2026	$ 420,000	$ 448,900	$ 868,900
2027	435,000	431,800	866,800
2028	450,000	414,100	864,100
2029	470,000	395,700	865,700
2030	490,000	376,500	866,500
2031-2035	2,765,000	1,568,575	4,333,575
2036-2040	3,260,000	1,071,300	4,331,300
2041-2045	3,790,000	543,750	4,333,750
2045-2047	1,685,000	50,925	1,735,925
Total	$ 13,765,000	$ 5,301,550	$ 19,066,550

Year Ending September 30,	Certificates of Obligation		
	Principal	Interest	Total Requirements
2026	$ 128,050	$ 349,913	$ 477,963
2027	133,600	338,798	472,398
2028	134,700	335,037	469,737
2029	152,900	330,845	483,745
2030	154,550	326,235	480,785
2031-2035	830,000	1,553,119	2,383,119
2036-2040	617,300	1,423,478	2,040,778
2041-2045	148,500	1,363,324	1,511,824
2046 - 2050	1,710,500	1,218,958	2,929,458
2051 - 2055	3,679,500	471,817	4,151,317
Total	$ 7,689,600	$ 7,711,521	$ 15,401,121

Year Ending September 30,	Lease Liabilities - Town		
	Principal	Interest	Total Requirements
2026	$ 59,524	$ 1,187	$ 60,711
2027	61,595	660	62,255
2028	42,052	780	42,832
Total	$ 163,171	$ 2,627	$ 165,798

As of September 30, 2025, the total net carrying value of the Town's right to use assets was $152,249.

The following are the annual requirements to amortize long-term debt outstanding of the Trust Fund Private Purpose Solana Public Improvement District (PID) as of September 30, 2025. The town is not obligated in any manner for the special assessment debt but merely acts as the developer's agent in handling the debt service PID. The bond is fully serviced by the special assessments received.

Year Ending September 30,	Special Assessment Bonds		
	Principal	Interest	Total Requirements
2026	$ 520,000	$ 1,254,500	$ 1,774,500
2027	555,000	1,222,650	1,777,650
2028	590,000	1,188,656	1,778,656
2029	625,000	1,152,518	1,777,518
2030	665,000	1,114,237	1,779,237
2031-2035	4,025,000	4,904,480	8,929,480
2036-2040	5,500,000	3,490,811	8,990,811
2041-2045	7,580,000	1,512,468	9,092,468
Total	$ 20,060,000	$ 15,840,320	$ 35,900,320

F. Unearned Revenue

Unearned revenue in the proprietary fund of $289,964 relates to the collection of the entire amount due on sixteen Ductbank leases as follows: five leases with AT&T local network services ranging from 5 – 30 years; five leases with Verizon Southwest ranging from 5-30 years; one five-year leases with MCI Metro; and one five-year lease with L3 Communications for use of the Town's Ductbank.

Governmental funds also reported unearned revenues. Governmental unearned revenues totaled $1,388,234, of which $427,057 was from State and Local Fiscal Recovery Funds. These funds were received in advance of funds being earned. Consolidation of funds during a new financial system implementation resulted in $956,265 in unallocated funds, this amount is recorded as unearned revenue in the current period.

G. Deferred Charges on Refunding

A deferred charge resulting from the issuance of the 2010 and 2015 general obligation refunding bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. The net balance outstanding as of September 30, 2025 was $188,788 for government-type activity reflected in the government- wide statements. Current year amortization expense totaled $106,071.

H. Deferred Gain on Refunding

A deferred gain resulting from the issuance of the 2021 and 2022 general obligation refunding bonds has been recorded as deferred inflow of resources. The net balance outstanding as of September 30, 2025 was $56,541 and $80,168 for governmental activities and business-type activities, respectively. Current year amortization expense totaled $18,847 and $3,644, respectively.

I. Interfund Transactions

The compositions of interfund balances as of the year ended September 30, 2025 were as follows:

	Due To (Payable Fund)				
Due From (Receivable Fund)	General Fund	Debt Service	Visitors Association	Utility Fund	Total
General fund	$ -	$ 96,933	$ -	$ 111,211	$ 208,144
Visitor Association	4,489	-	-	-	4,489
Economic Development	-	-	12,224	-	12,224
Total	$ 4,489	$ 96,933	$ 12,224	$ 111,211	$ 224,857

Interfund receivables and payables are used to cover operational and capital expenditures.

Transfers between funds during the year are as follows:

	Transfer In				
Transfer out	Westlake Academy	Debt Service	Westlake Academy Expansion Capital Projects	Economic Development	Total
General fund	$ 1,736,484	$ -	$ -	$ 151,765	$ 1,888,249
4B EDC	-	1,954,675	-	-	1,954,675
Economic Development	-	-	255,000	-	255,000
Total	$ 1,736,484	$ 1,954,675	$ 255,000	$ 151,765	$ 4,097,924

Transfers were primarily used to support debt services and expenditures, as well as general administrative expenditures.

NOTE 5 – OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Town's general liability, workers' compensation liability, law enforcement liability, errors and omissions liability, and automobile liability coverage is insured by the Texas Municipal League, a public entity risk pool. The Town's only responsibility to the Texas Municipal League is to pay premiums for insurance and related deductible amounts of these policies. Other risk of loss is covered by commercial insurance. Settlements of claims have not exceeded coverage in the past three years.

B. Contingent Liabilities & Commitments

Litigation

Various claims and lawsuits are pending against the Town. In the opinion of Town management, after consultation with legal counsel, the potential loss on these claims and lawsuits will not materially affect the Town's financial position.

Interlocal Agreement with the City of Southlake

In August 1995, the Town entered into an agreement with the City of Southlake to allow the Town to utilize capacity in a sewer line and to set forth their respective rights and obligations with respect to the sewer line owned by the City of Southlake. The Town is obligated to share in the cost of construction, operation and maintenance of the sewer line. The sewer line was constructed in 2000. Additionally, the Town must pay the City of Southlake all transportation, treatment and related costs allocable to the metered flow of sewage from the Town into the sewer line. Costs associated with this agreement for the year ended September 30, 2025, were $1,006,727.

Water Purchase Contract

The Town has a contract with the City of Fort Worth, Texas, to purchase water. Under the contract, the Town may obtain from the City of Fort Worth, a supply of potable water at a reasonable rate based on water usage. The rate charges are subject to minimum annual contract payments. Water expense for the year ended September 30, 2025, was $1,483,271.

C. Defined Benefit Pension Plans

Texas Municipal Retirement System

Plan Description

The Town of Westlake, participates as one of 938 plans in the defined benefit cash-balance plan

administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the Town were as follows:

	Plan Year 2022	Plan Year 2023
Employee deposit rate	7%	7%
Matching ratio (town to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	0% of CPI repeating	0% of CPI repeating

The Town also participates in Social Security.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	47
Active employees	49
Total	127

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town of Westlake, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town of Westlake, Texas were 12.27% and 13.64% in calendar years 2024 and 2025, respectively. The Town's contributions to TMRS for the year ended September 30, 2025, were $686,700 and were more than the required contributions

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a

fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2025 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.1%
Core Fixed Income	6.0%	5.0%
Non-Core Fixed Income	6.0%	6.8%
Other Public and Private Markets	4.0%	7.3%
Real Estate	12.0%	6.7%
Hedge Funds	5.0%	6.4%
Private Equity	13.0%	8.5%
Total	6.0%	6.0%

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/22	$ 13,912,377	$ 12,470,477	$ 1,441,900
Changes for the year:			
Service Cost	854,585	-	854,585
Interest	950,884	-	950,884
Difference between expected and actual experience	127,522	-	127,522
Changes of assumptions	-	-	-
Contributions – employer	-	559,500	(559,500)
Contributions – employee	-	325,291	(325,291)
Net investment income	-	1,302,883	(1,302,883)
Benefit payments, including refunds of employee contributions	(505,007)	(505,007)	-
Administrative expense	-	(8,310)	8,310
Other changes	-	(194)	194
Net changes	1,427,984	1,674,163	(246,179)
Balance at 12/31/23	$ 15,340,361	$ 14,144,640	$ 1,195,721

The Town uses the general fund to liquidate pension liabilities.

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 3,528,519	$ 1,195,721	$ (703,749)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the Town recognized a pension expense of $586,614. This amount is included as part of expenses within the functional program activities.

At September 30, 2025, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Net difference between projected and actual investment earnings	$ -	$ (129,057)
Changes in assumptions	-	(6,296)
Differences between expected and actual experience	-	(179,767)
Contributions subsequent to the measurement date	549,579	-
Total	$ 549,579	$ (315,120)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $549,579 will be recognized as a reduction of the net pension liability for the year ending September 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended December 31:	
2024	$ (56,182)
2025	50,153
2026	(216,867)
2027	(92,224)
	$ (315,120)

Teachers Retirement System of Texas

Plan Description

The Academy participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas(TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

TRS Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet

at https://www.trs.texas.gov/sites/default/files/migrated/TRS-Documents-trs-acfr-2024.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year. Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

Schedule of Contribution Rates		
Contribution Rates	2023 (Rate)	2024 (Rate)
Member	8.25%	8.25%
Non-employer contributing entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

The employer and member contributions for the Academy's fiscal year 2025 amounted to $385,522 and $587,442, respectively. The State's contributions for plan year 2024 (measurement year) amounted to $354,401.

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and

state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.8 percent of the member's salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The Total Pension Liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2020	3.87% as reported in Fidelity Index's 20-Year Municipal GO AA Index as of August 2020
Inflation	2.30% per year
Overall payroll growth	2.95% to 8.95%, including inflation

Active mortality rates	Active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2024. For a full description of these assumptions, please see the actuarial valuation report dated November 21, 2024.

Discount Rate

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class as of August 31, 2024 (see page 88 of the TRS ACFR) are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return (Geometric)	Expected Contribution to Long-Term Portfolio Returns
Global Equity	54.0%	20.5%	3.7%
Stable Value	21.0%	8.9%	0.6%
Real Return	21.0%	14.7%	1.6%
Risk Parity	8.0%	4.0%	0.4%
Asset Allocation Leverage	(4.0)%	2.3%	(0.1)%
Inflation	–	–	2.4%
Volatility Drag	–	–	(0.9)%
Total	100.0%		

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the Town, calculated using the discount rate of 7.00%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
$ 6,626,610	$ 4,148,753	$ 2,095,672

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Academy reported a liability of $4,148,753 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the Academy. The amount recognized by the Academy as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Academy were as follows:

Academy's proportionate share of the collective net pension liability	$	4,148,753
State's proportionate share that is associated with Academy		3,840,512
Total	$	7,990,265

The net pension liability was measured as of August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Academy's proportion of the net pension liability was based on the Academy's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net pension liability was 0.0067918619%, which was an increase of 0.0004007692% from its proportion measured as of August 31, 2023.

Changes since the Prior Measurement Date

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS.

For the year ended June 30, 2025, the Academy recognized pension expense of $1,248,823 and revenue of $459,125 for support provided by the State.

At June 30, 2025, the Academy reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Net difference between projected and actual investment earnings	$ 228,674	$ (32,391)
Changes in assumptions	214,209	(28,718)
Differences between expected and actual experience	25,219	-
Changes in proportion and differences in contributions	716,689	(67,888)
Contributions subsequent to the measurement date	309,709	-
Total	$ 1,494,500	$ (128,997)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $295,372 will be recognized as a reduction of the net pension liability for the year ending June 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31:	
2025	$ 308,590
2026	597,872
2027	150,965
2028	(39,502)
2029	37,869
	$ 1,055,794

D. Postemployment Benefits Other Than Pensions

The Town also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The Town elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Town may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The Town offers supplemental death to:	Plan Year 2023	Plan Year 2024
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre- fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	5
Active employees	49
Total	76

The Town's contributions to the TMRS SDBF for the years ended 2025 and 2024 were $2,497, and $1,679, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates

(RETIREE-only portion of the rate)

Plan / Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2023	0.03%	0.03%	100.0%
2024	0.04%	0.04%	100.0%
2025	0.05%	0.05%	100.0%

Total OPEB Liability

The Town's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.6% to 11.85%, including inflation per year
Discount rate	4.08%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

All administrative expenses are paid through the Pension Trust and accounted for under reporting Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Retirees of Texas Mortality Tables, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis the most recent Scale MP-2021 (with immediate convergence. For disabled annuitants, the gender- distinct 2019 Retirees of Texas Mortality Tables are used with males rates multiplied by 109% and female rates multiplied by 103% with a 4-year set- forward for males and 3-year set-forward for females. In addition, a 3.5 and 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence)to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the the Bond Buyer "10-Bond GO Index" rate closest to but not later than the measurement date.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, calculated using the discount rate of 4.08%, as well as what the Town's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage- point higher (5.08%) than the current rate:

1% Decrease 3.08%	Current Single Rate Assumption 4.08%	1% Increase 5.08%
$ 124,334	$ 103,218	$ 86,883

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/23	$ 98,162
Changes for the year:	
Service Cost	6,506
Interest	3,788
Difference between expected and actual experience	2,627
Changes of assumptions	(6,006)
Benefit payments, including refunds of employee contributions	(1,859)
Net changes	5,056
Balance at 12/31/24	$ 103,218

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the Town recognized OPEB expense of $8,109.

At September 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in assumptions	$ -	$ (21,600)
Differences between expected and actual experience	65	-
Contributions subsequent to the measurement date	2,042	-
Total	$ 2,107	$ (21,600)

The Town reported $2,042 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:		
2024	$	(1,884)
2025		(2,330)
2026		(6,050)
2027		(6,331)
2028		(4,681)
Thereafter		(259)
	$	(21,535)

E. Defined Other Post Employment Benefit Plan

Texas Retirement System – Care

Plan Description

The Academy participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing, defined benefit OPEB plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature. The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

TRS-Care Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately- issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov//fault///Documents-trs-acfr-2024.pdf; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational academies who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS- Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to

amend benefit terms as needed under Chapter 1575.052. There are no automatic post- employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Monthly Premium Rates		
	Medicare	**Non-Medicare**
Retiree or Surviving Spouse	$ 135	$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and Academy based upon Academy payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Schedule of Contribution Rates

Contribution Rates	**2024 (Rate)**	**2025 (Rate)**
Active employee	0.65%	0.65%
Non-employer contributing entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding	1.25%	1.25%

The employer and member contributions for the Academy's fiscal year 2025 amounted to $59,794 and $46,866, respectively. The State's contributions for plan year 20234(measurement year) amounted to $76,351.

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of $535 per retiree.

Actuarial assumptions

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Inflation	2.30% per year
Discount Rate	3.87%, as reported in Fidelity Index's 20-year Municipal GO AA Index as of August 31, 2024
Election Rates	Normal Retirement; 62% participation prior to age 65 and 25% after age 65. 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Healthcare Trend Rates	7.25% for Medicare retirees and 6.75% for non-Medicare retirees
Administrative Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability at August 31, 2024. This was a decrease of 0.26% in the discount rate since the previous measurement date.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2024 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the Academy, calculated using the discount rate of 3.87%, as well as what the Academy's total OPEB liability (asset) would be if it were calculated

using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	1% Decrease 2.87%	Current Single Rate Assumption 3.87%	1% Increase 4.87%
Academy's proportionate share of the net OPEB liability	$ 2,418,961	$ 2,036,082	$ 1,726,711

Healthcare Trend Rates Sensitivity Analysis

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease in Trend Rate	Trend Rate	1% Increase in Trend Rate
Academy's proportionate share of the net OPEB liability	$ 1,658,087	$ 2,036,082	$ 2,528,648

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the Academy reported a liability of $2,036,082 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the Academy. The amount recognized by the Academy as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Academy were as follows:

Academy's proportionate share of the collective net pension liability	$ 2,036,082
State's proportionate share that is associated with Academy	2,551,183
Total	$ 4,587,265

The Net OPEB Liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024 the employer's proportion of the collective Net OPEB Liability was .0067083342%, which was an increase of .000022024% the same proportion measured as of August 31, 2023

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period.

- The discount rate decreased from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024. This change increased the total OPEB liability.

Changes of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2025, the Academy recognized OPEB gain of $529,501 and revenue of $331,607 for support provided by the State.

At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	$ 390,249	$ (1,016,115)
Changes in assumptions	260,594	(664,350)
Net difference between projected and actual investment earnings	-	(5,702)
Changes in proportion and differences between the employer's contributions and proportionate share of contributions	305,535	(4,050)
Contributions subsequent to the measurement date	49,448	-
Total	$ 1,005,826	$ (1,690,217)

The Academy reported $49,448 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability for the year ending June 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31:	
2025	$ (240,448)
2026	(148,231)
2027	(178,580)
2028	(142,453)
2029	(67,781)
Thereafter	43,654
	$ (733,839)

F. Health Care Coverage

During the period ended August 31, 2024, employees of the Academy who met minimum eligibility requirements were covered by a state-wide health care plan, TRS Active Care. The Academy's

participation in this plan is renewed annually. The Academy paid into the Plan $505 per month per employee and $430 per month when the employee works less than 30 hours per week if eligible to enroll in TRS Active Care. Employees, at their option, pay premiums for any coverage above these amounts as well as for dependent coverage.

The Teacher Retirement System (TRS) manages TRS Active Care. The medical plan is administered by Aetna, and Caremark Health administers the prescription drug plan. The latest financial information on the state-wide plan may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

G. Solana Public Improvement District

On February 24, 2014, the Town Council granted a petition by Maguire Partners-Solana Land, LP in resolution 14-07 to authorize and provide for the creation of a public improvement district, The Solana Public Improvement District ("the District"). The District encompasses approximately 85 acres currently being developed as a master-planned mixed-use development known as "Westlake Entrada" that is expected to include, among other things, condominiums, residential villas, hotels, office, retail, commercial, institutional and hospitality uses, and a wedding event center. The District was created in accordance with Chapter 372 of the Texas Local Government Code.

On February 5, 2015, the Town Council approved issuance of $26,175,000 of Special Assessment Revenue Bonds, Series 2015 related to the District. The Public Improvement District Bonds (The Bonds) are special and limited obligations of the Town payable solely from the pledged revenues and other funds comprising the Trust Estate, as and to the extent provided in the indenture. The bonds do not give rise to a charge against the general credit or taxing power of the Town and are payable solely from the sources identified in the indenture. The owners of the bonds shall never have the right to demand payment thereof out of money raised or to be raised by taxation, or out of any funds of the Town other than the Trust Estate, as and to the extent provided in the indenture; and, no owner of the bonds shall have the right to demand any exercise of the Town's taxing power to pay the principal of the bonds or the interest or redemption premium, if any, thereon. The Town shall have no legal or moral obligation to pay the bonds out of any funds of the Town other than the Trust Estate in accordance with the Texas Local Government Code.

The proceeds from the bond issue are being used as follows: payment of a portion of the costs of construction, acquisition, or purchase of certain water, wastewater and roadway public improvements for the special benefit of the District; funding a reserve fund; funding capitalized interest; payment of a portion of the costs incidental to the organization of the District; and payment of the cost of issuance of the bonds. The Town is not, and will not be obligated to provide any funds to finance construction of authorized improvements. All design and construction costs of the District's authorized public improvements will be paid from the District assessments and from other sources of funds, if any, to the extent provided in the Trust Indenture.

H. Tax Abatements

The Town enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code and Chapter 312 of the Texas Tax Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales and hotel/motel

taxes and may include other incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case-by-case basis by the Town Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

I. Going Concern

These 2025 financial statements were prepared assuming the Texas Student Housing entities will continue as going concerns. The Texas Student Housing entities' bonds payable are considered to be in default due to not making full principal and interest payments and, therefore, are reported as current liabilities. This is considered an event of default by the Trustees, which gives the bondholders the right to accelerate and demand payment of the bonds in full or exercise foreclosure on the assets. Management and the property managers are in the process of developing and implementing plans to increase occupancy and rental rates at the properties to improve their financial performance.

J. Subsequent Events

There were no material subsequent events through March 27, 2026, the date the financial statements were issued.

K. Restatement – Discretely Presented Component Unit

The Public Improvement District was formed as a special revenue fund combined resources and activities that were previously recorded within the General fund and the Solana PID Capital Projects fund, the former of which was removed from the reporting entity.

Activities and resources that were recorded within the Capital Projects fund and related to the Westlake Academy Arts and Sciences expansion are now reported within the Westlake Academy Expansion Capital Projects fund.

The Academy did not accrue annualized salaries for which the performance obligations had been fulfilled as of June 30, 2024. The result was accrued payroll liabilities were understated by $263,031 and payroll expenses were understated by the same amount.

The Trust Fund Private Purpose PID received advance payments for special assessments that were not applied to receivable balance in prior years, resulting in a correction of $2,290,000.

Fund	Beginning fund balances, as previously stated	Change within financial reporting entity	Prior year correction	Beginning fund balances, as restated
General	$ 39,135,298	$ (247,354)	$ -	$ 38,887,944
Public Improvement District	-	277,023	-	277,023
Solana PID Capital Projects	29,669	(29,669)	-	-
Capital Projects	7,581,154	(3,261,102)	-	4,320,052
Westlake Academy Expansion Capital Projects	3,082,872	3,261,102	-	6,343,974
Westlake Academy*	2,094,874	-	(263,031)	1,831,843
Trust Fund Private Purpose Solana PID	6,355,591	-	(2,290,000)	4,065,591

*As of June 30, 2025

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
General Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Property tax	$ 2,830,000	$ 2,970,000	$ 3,039,753	$ 69,753
Sales tax	9,900,000	12,200,000	12,055,863	(144,137)
Franchise and local taxes	510,600	850,000	1,146,964	296,964
License and permits	1,710,825	1,850,000	1,862,524	12,524
Grants/contributions	-	-	500	500
Fines and forfeitures	437,185	400,000	480,742	80,742
Investment income	1,038,100	1,250,000	1,853,757	603,757
Other revenue	471,500	-	188,236	188,236
Total Revenues	16,898,210	19,520,000	20,628,339	1,108,339
Expenditures				
Current:				
General government				
General service	5,030,787	5,030,787	1,162,952	(3,867,835)
Town manager	399,935	399,935	371,884	(28,051)
Planning and development	666,277	666,277	445,505	(220,772)
Town secretary	178,592	178,592	189,489	10,897
Municipal Court	420,334	420,334	269,350	(150,984)
Facilities/Maintenance	155,750	155,750	153,438	(2,312)
Finance	696,072	696,072	428,392	(267,680)
HR	321,131	321,131	204,723	(116,408)
Communications	224,844	224,844	251,962	27,118
Total general government	8,093,722	8,093,722	3,477,695	(4,616,027)
Public safety				
Fire/Ems	3,681,025	3,681,025	3,500,419	(180,606)
Police Service	1,261,969	1,261,969	1,061,767	(200,202)
Total Public Safety	4,942,994	4,942,994	4,562,186	(380,808)
Cultural and recreation	368,400	368,400	374,372	5,972
Public works	760,124	760,124	1,951,140	1,191,016
Education	-	-	1,425,636	1,425,636
Capital outlay	174,100	174,100	1,454,578	1,280,478
Total Expenditures	14,339,340	14,339,340	13,245,607	(1,093,733)
Revenues Over (Under) Expenditures	$ 2,558,870	$ 5,180,660	$ 7,382,732	$ 2,202,072

(continued)

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
General Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Positive (Negative)
(continued)				
Other Financing Sources (Uses)				
Transfers in	$ -	$ -	$ -	$ -
Transfers (out)	(3,632,984)	(3,632,984)	(1,888,249)	1,744,735
Total Other Financing Sources (Uses)	(3,632,984)	(3,632,984)	(1,888,249)	1,744,735
Net Change in Fund Balance	$ (1,074,114.00)	$ 1,547,676.00	5,494,483	$ 3,946,807.00
Beginning fund balance			38,887,944	
Ending Fund Balance			$ 44,382,427	

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
4B Economic Development Corporation
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Sales tax	$ 3,000,000	$ 3,000,000	$ 3,992,310	$ 992,310
Investment earnings	-	-	280,181	280,181
Total Revenues	3,000,000	3,000,000	4,272,491	1,272,491
Revenues Over (Under) Expenditures	3,000,000	3,000,000	4,272,491	1,272,491
Expenditures				
General government	-	-	3,129	3,129
Total Expenditures	-	-	3,129	3,129
Revenues Over (Under) Expenditures	3,000,000	3,000,000	4,269,362	1,269,362
Other Financing Sources (Uses)				
Transfers (out)	(1,943,428)	(1,943,428)	(1,954,675)	(11,247)
Total Other Financing Sources (Uses)	(1,943,428)	(1,943,428)	(1,954,675)	(11,247)
Net Change in Fund Balance	1,056,572	1,056,572	2,314,687	1,261,244
Beginning fund balance			4,732,089	
Ending Fund Balance			$ 7,046,776	

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
Westlake Academy - General Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Local and intermediate sources	$ 2,995,070	$ 3,312,821	$ 2,082,440	$ (1,230,381)
State program revenues	8,605,425	8,877,524	8,812,902	(64,622)
Federal program revenues	124,925	133,048	45,163	(87,885)
Total Revenues	11,725,420	12,323,393	10,940,505	(1,382,888)
Expenditures				
Current:				
Education	11,487,120	11,937,806	11,899,844	(37,962)
Debt service:				
Principal	238,300	238,300	202,844	(35,456)
Interest	-	-	11,615	11,615
Total Expenditures	11,725,420	12,176,106	12,114,303	(61,803)
Revenues Over (Under) Expenditures	-	147,287	(1,173,798)	(1,321,085)
Other Financing Sources (Uses)				
Transfers in	-	-	1,736,484	1,736,484
Total Other Financing Sources (Uses)	-	-	1,736,484	1,736,484
Net Change in Fund Balance	$ -	$ 147,287	562,686	$ 415,399
Beginning fund balance			1,831,843	
Ending Fund Balance			$ 2,394,529	

* Westlake Academy is for the year ended June 30, 2025.

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF WESTLAKE, TEXAS

Schedule of Changes in Net Pension Liability and Related Ratios

Texas Municipal Retirement System

	Year Ended December 31			
	2024	**2023**	**2022**	**2021**
Total pension liability				
Service cost	$ 854,585	$ 791,237	$ 809,933	$ 696,815
Interest	950,884	892,802	822,373	738,265
Differences between expected and actual experience	127,522	(325,903)	(125,512)	78,164
Changes of assumptions	-	(11,197)	-	-
Benefit payments, including refunds of participant contributions	(505,007)	(531,282)	(376,833)	(270,676)
Net change in total pension liability	1,427,984	815,657	1,129,961	1,242,568
Total pension liability - beginning	13,912,377	13,096,720	11,966,759	10,724,191
Total pension liability - ending (a)	$ 15,340,361	$ 13,912,377	$ 13,096,720	$ 11,966,759
Plan fiduciary net position				
Contributions - employer	$ 559,500	$ 562,313	$ 577,669	$ 510,997
Contributions - members	325,291	331,613	348,894	303,907
Net investment income	1,302,883	1,263,452	(815,178)	1,224,062
Benefit payments, including refunds of participant contributions	(505,007)	(531,282)	(376,833)	(270,676)
Administrative expenses	(8,310)	(7,991)	(7,022)	(5,642)
Other	(194)	(56)	8,379	39
Net change in plan fiduciary net position	1,674,163	1,618,049	(264,091)	1,762,687
Plan fiduciary net position - beginning	12,470,477	10,852,428	11,116,519	9,353,832
Plan fiduciary net position - ending (b)	14,144,640	12,470,477	10,852,428	11,116,519
Fund's net pension liability - ending (a) - (b)	$ 1,195,721	$ 1,441,900	$ 2,244,292	$ 850,240
Plan fiduciary net position as a percentage of the total pension	92.21%	89.64%	82.86%	92.89%
Covered payroll	$ 4,647,010	$ 4,735,108	$ 4,984,204	$ 4,341,524
Fund's net pension liability as a percentage of covered payroll	25.73%	30.45%	45.03%	19.58%

Year Ended December 31						
2020	**2019**	**2018**	**2017**	**2016**	**2015**
$ 683,693	$ 651,255	$ 605,453	$ 566,643	$ 483,414	$ 435,146
660,928	570,598	493,022	439,725	371,753	317,982
(5,405)	131,635	126,691	(120,557)	212,434	96,226
-	89,534	-	-	-	139,579
(129,398)	(112,642)	(84,942)	(146,316)	(58,144)	(38,289)
1,209,818	1,330,380	1,140,224	739,495	1,009,457	950,644
9,514,373	8,183,993	7,043,769	6,304,274	5,294,817	4,344,173
$ 10,724,191	$ 9,514,373	$ 8,183,993	$ 7,043,769	$ 6,304,274	$ 5,294,817
$ 500,613	$ 470,903	$ 472,011	$ 400,684	$ 330,604	$ 290,278
297,813	279,349	257,327	232,776	203,359	188,725
615,040	999,440	(179,608)	670,195	276,056	5,368
(129,398)	(112,642)	(84,942)	(146,316)	(58,144)	(38,289)
(3,966)	(5,628)	(3,463)	(3,468)	(3,113)	(3,268)
(155)	(169)	(181)	(176)	(168)	(191)
1,279,947	1,631,253	461,144	1,153,695	748,594	442,623
8,073,885	6,442,632	5,981,488	4,827,793	4,079,199	3,636,576
9,353,832	8,073,885	6,442,632	5,981,488	4,827,793	4,079,199
$ 1,370,359	$ 1,440,488	$ 1,741,361	$ 1,062,281	$ 1,476,481	$ 1,215,618
87.22%	84.86%	78.72%	84.92%	76.58%	77.04%
$ 4,254,465	$ 3,961,404	$ 3,676,095	$ 3,325,369	$ 2,905,134	$ 2,696,072
32.21%	36.36%	47.37%	31.94%	50.82%	45.09%

TOWN OF WESTLAKE, TEXAS

Schedule of Employer Contributions to Pension Plan
Texas Municipal Retirement System

	Year Ended September 30			
	2025	2024	2023	2022
Actuarially determined employer contributions	$ 686,700	$ 562,313	$ 569,334	$ 587,595
Contributions in relation to the actuarially determined contribution	(686,700)	(562,313)	(571,341)	(587,595)
Contribution deficiency (excess)	$ -	$ -	$ (2,007)	$ -
Annual covered payroll	$ 5,221,937	$ 4,530,671	$ 4,840,837	$ 5,050,700
Employer contributions as a percentage of covered payroll	13.15%	12.41%	11.80%	11.63%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor Inflation2.5%
Salary Increases	3.50% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information:	There were no benefit changes during the year.

Year Ended September 30						
2021	**2020**	**2019**	**2018**	**2017**	**2016**
$ 524,995	$ 478,059	$ 473,030	$ 454,421	$ 419,720	$ 31,618
(524,995)	(478,059)	(473,030)	(454,421)	(419,720)	(316,618)
$ -	$ -	$ -	$ -	$ -	$ (285,000)
$ 4,460,447	$ 4,058,942	$ 3,920,565	$ 3,676,094	$ 3,325,369	$ 2,821,349
11.77%	11.78%	12.07%	12.36%	12.62%	11.22%

TOWN OF WESTLAKE, TEXAS

Schedule of Academy's Proportionate Share of Net Pension Liability
Teacher Retirement System of Texas

	Year Ended August 31			
	2024	**2023**	**2022**	**2021**
Academy's proportion of the net pension liabilty	0.0067919%	0.0063911%	0.0058367%	0.0051806%
Academy's proportionate share of the net pension liabilty	$ 4,148,753	$ 4,390,064	$ 3,465,116	$ 1,319,306
State's proportionate share of the net pension liabilty associated with the Academy	3,841,512	3,997,690	4,030,833	1,996,109
Total	$ 7,990,265	$ 8,387,754	$ 7,495,949	$ 3,315,415
Covered payroll	$ 7,246,863	$ 6,648,972	$ 6,248,867	$ 6,119,043
Academy's proportionate share of the net pension liabilty as a percentage of covered payroll	57.25%	66.03%	55.45%	21.56%
Plan fiduciary net position as a percentage of total pension liability	77.51%	73.15%	75.62%	88.79%

	Year Ended August 31					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**
	0.0055779%	0.0028912%	0.0027061%	0.0028012%	0.0027822%	0.0030945%
$	2,987,427	$ 1,502,914	$ 1,489,525	$ 895,663	$ 1,051,346	$ 1,093,865
	4,112,478	5,272,547	5,571,598	3,480,057	4,035,754	3,667,893
$	7,099,905	$ 6,775,461	$ 7,061,123	$ 4,375,720	$ 5,087,100	$ 4,761,758
$	5,984,542	$ 5,534,431	$ 5,289,916	$ 5,391,515	$ 5,094,571	$ 4,784,695
	49.92%	27.16%	28.16%	16.61%	20.64%	22.86%
	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

TOWN OF WESTLAKE, TEXAS

Schedule of Employer Contributions to OPEB Plan
Teacher Retirement System of Texas
For the Year Ended June 30, 2025

	Year Ended June 30		Year Ended August 31	
	2025	2024	2023	2022
Contractually Required Contribution	$ 385,522	$ 295,372	$ 328,385	$ 272,001
Contribution in Relation to Contractually Required Contribution	(385,522)	(295,372)	(328,385)	(272,001)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Academy's Covered Payroll	$ 7,141,499	$ 5,948,482	$ 6,648,972	$ 6,248,867
Contributions as a % of Covered Payroll	5.40%	4.97%	4.94%	4.35%

Year Ended August 31					
2021	2020	2019	2018	2017	2016
$ 222,306	$ 230,148	$ 100,311	$ 91,593	$ 131,436	$ 88,399
(222,306)	(230,148)	(100,311)	(91,593)	(131,436)	(88,399)
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,119,043	$ 5,984,542	$ 5,534,431	$ 5,289,515	$ 5,391,515	$ 5,094,571
3.63%	3.85%	1.81%	1.73%	2.44%	1.74%

TOWN OF WESTLAKE, TEXAS

Schedule of Changes in Postemployment Benefits Other Than Pension (OPEB) Liability and Related Ratios
Texas Municipal Retirement System

	Year Ended December 31			
	2024	**2023**	**2022**	**2021**
Total OPEB liability				
Service cost	$ 6,506	$ 6,156	$ 11,962	$ 10,420
Interest	3,788	3,669	2,348	2,272
Differences between expected and actual experience	2,627	(3,698)	1,428	(2,401)
Changes of assumptions	(6,006)	5,222	(48,381)	3,924
Benefit payments, including refunds of participant contributions	(1,859)	(1,421)	(1,495)	(434)
Net change	5,056	9,928	(34,138)	13,781
Total OPEB liability - beginning	98,162	88,234	122,372	108,591
Total OPEB liability - ending	$ 103,218	$ 98,162	$ 88,234	$ 122,372
Covered payroll	$ 4,735,108	$ 4,735,108	$ 4,984,204	$ 4,341,524
Fund's total OPEB liability as a percentage of covered payroll	2.18%	2.07%	1.77%	2.82%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

Year Ended December 31		
2020	2019	2018
$ 8,934	$ 7,131	$ 7,720
2,388	2,146	1,844
(80)	3,831	(2,126)
15,184	15,394	(4,632)
(425)	(396)	(5,184)
26,001	28,106	(2,378)
82,590	54,484	56,862
$ 108,591	$ 82,590	$ 54,484
$ 4,254,465	$ 3,961,404	$ 3,676,095
2.55%	2.08%	1.48%

TOWN OF WESTLAKE, TEXAS

Schedule of the Academy's OPEB Contributions
Teacher Retirement System of Texas
For the Year Ended June 30, 2025

	Year Ended June 30		Year Ended August 31	
	2025	2024	2023	2022
Contractually Required Contribution	$ 59,794	$ 50,495	$ 58,196	$ 54,054
Contribution in Relation to Contractually Required Contribution	(59,794)	(50,495)	(58,196)	(54,054)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Academy's Covered Payroll	$ 7,141,499	$ 5,948,482	$ 6,648,972	$ 6,248,867
Contributions as a % of Covered Payroll	0.84%	0.85%	0.88%	0.87%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

Year Ended August 31			
2021	2020	2019	2018
$ 46,994	$ 46,278	$ 46,703	$ 46,204
(46,994)	(46,278)	(46,703)	(46,204)
$ -	$ -	$ -	$ -
$ 6,119,043	$ 5,984,542	$ 5,534,431	$ 5,289,515
0.77%	0.77%	0.84%	0.87%

TOWN OF WESTLAKE, TEXAS

Schedule of Academy's Proportionate Share of Net OPEB Liability
Teacher Retirement System (TRS) Care Plan

	Year Ended August 31			
	2024	**2023**	**2022**	**2021**
Academy's proportion of the net OPEB liabilty	0.0067083342%	0.6706100%	0.6594200%	0.0060770%
Academy's proportionate share of the net OPEB liabilty	$ 2,036,082	$ 1,484,624	$ 1,578,920	$ 2,344,162
State's proportionate share of the net OPEB liabilty associated with the Academy	2,551,183	1,791,427	1,926,034	3,140,655
Total	$ 4,587,265	$ 3,276,051	$ 3,504,954	$ 5,484,817
Covered payroll	$ 7,246,836	$ 6,248,867	$ 6,248,867	$ 5,264,791
OPEB liabilty as a percentage of covered payroll	28.10%	23.76%	25.27%	44.53%
Plan fiduciary net position as a percentage of total OPEB liability	13.70%	14.94%	11.52%	6.18%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

Year Ended August 31			
2020	2019	2018	2017
0.0060887%	0.0059857%	0.0059093%	0.0058830%
$ 2,314,571	$ 2,830,719	$ 2,950,588	$ 2,558,314
3,110,229	3,761,390	4,695,104	4,406,333
$ 5,424,800	$ 6,592,109	$ 7,645,692	$ 6,964,647
$ 5,984,542	$ 5,534,431	$ 5,289,916	$ 5,391,515
38.68%	27.16%	28.16%	16.61%
4.99%	2.66%	1.57%	0.91%

THE TOWN OF
WESTLAKE
DISTINCTIVE BY DESIGN

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TOWN OF WESTLAKE, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Visitors Association	Lone Star Public Facilities Corp. Fund	Economic Development	Public Arts	Public Improvement District	Total
Assets						
Cash and cash equivalents	$ 842,062	$ 17,079	$ 209,390	$ 646,503	$ 332,895	$ 2,047,929
Due from other governments	62,623	-	-	-	-	62,623
Due from other funds	4,489	-	12,224	-	-	16,713
Prepaids	5,527	-	6,037	-	-	11,564
Total Assets	$ 914,701	$ 17,079	$ 227,651	$ 646,503	$ 332,895	$ 2,138,829
Liabilities						
Accounts payable	$ 5	$ -	$ 553,457	$ -	$ 176,929	$ 730,391
Accrued liabilities	18,976	-	-	-	999	19,975
Due to other funds	12,224	-	-	-	-	12,224
Unearned revenue	4,912	-	-	-	-	4,912
Total Liabilities	36,117	-	553,457	-	177,928	767,502
Fund Balances						
Nonspendable:						
Prepaids	5,527	-	6,037	-	-	11,564
Restricted for:						
Capital projects	-	-	-	646,503	154,967	801,470
Visitor services	873,057	-	-	-	-	873,057
Future projects	-	17,079	-	-	-	17,079
Unassigned	-	-	(331,843)	-	-	(331,843)
Total Fund Balances	878,584	17,079	(325,806)	646,503	154,967	1,371,327
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 914,701	$ 17,079	$ 227,651	$ 646,503	$ 332,895	$ 2,138,829

TOWN OF WESTLAKE, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	Visitors Association	Lone Star Public Facilities Corp. Fund	Economic Development	Public Arts	Public Improvement District	Solana PID Capital Projects	Total
Revenues							
Taxes							
Occupancy tax	$ 549,850	$ -	$ -	$ -	$ -	$ -	$ 549,850
Grants/contributions	-	-	255,000	-	-	-	255,000
Investment income	36,452	750	-	-	4,457	-	41,659
Total Revenues	586,302	750	255,000	-	4,457	-	846,509
Expenditures							
Current:							
General government	-	-	705,222	-	126,513	-	831,735
Visitor services	434,138	-	-	-	-	-	434,138
Total Expenditures	434,138	-	705,222	-	126,513	-	1,265,873
Excess (Deficiency) of Revenues Over (Under) Expenditures	152,164	750	(450,222)	-	(122,056)	-	(419,364)
Other Financing Sources (Uses)							
Transfers in	-	-	151,765	-	-	-	151,765
Transfers (out)	-	-	(255,000)	-	-	-	(255,000)
Total Other Financing Sources	-	-	(103,235)	-	-	-	(103,235)
Net Change in Fund Balances	152,164	750	(553,457)	-	(122,056)	-	(522,599)
Beginning fund balances, as previously stated	726,420	16,329	227,651	646,503	-	29,669	1,646,572
Change within financial reporting entity	-	-	-	-	277,023	(29,669)	247,354
Beginning fund balances, as restated	726,420	16,329	227,651	646,503	277,023	-	1,893,926
Ending Fund Balances	$ 878,584	$ 17,079	$ (325,806)	$ 646,503	$ 154,967	$ -	$ 1,371,327

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
Visitors Association Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Occupancy taxes	$ 500,000	$ 500,000	$ 549,850	$ 49,850
Investment income	30,000	30,000	36,452	6,452
Total Revenues	530,000	530,000	586,302	56,302
Expenditures				
Visitors services	569,231	569,231	434,138	(135,093)
Total Expenditures	569,231	569,231	434,138	(135,093)
Other Financing Sources (Uses)				
Transfers in	125,000	125,000	-	(125,000)
Transfers (out)	(100,000)	(100,000)	-	100,000
Total Other Financing Sources (Uses)	25,000	25,000	-	(25,000)
Revenues Over (Under) Expenditures	(14,231)	(14,231)	152,164	166,395
Net Change in Fund Balance	$ (14,231)	$ (14,231)	152,164	$ 166,395
Beginning fund balance			726,420	
Ending Fund Balance			$ 878,584	

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
Lone Star Public Facilities Corporation
For the Year Ended September 30, 2025

	Original and Final Budget	Actual	Positive (Negative)
Revenues			
Investment income	$ 200	$ 750	$ 550
Total Revenues	$ 200	750	$ 550
Beginning fund balance		16,329	
Ending Fund Balance		$ 17,079	

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
Economic Development
For the Year Ended September 30, 2025

	Original and Final Budget	Actual	Positive (Negative)
Revenues			
Occupancy taxes	$ 10,000	$ -	$ (10,000)
License and permits	100,000	-	(100,000)
Grants and contributions	-	255,000	255,000
Total Revenues	110,000	255,000	145,000
Expenditures			
General government	135,000	705,222	570,222
Total Expenditures	135,000	705,222	570,222
Revenues Over (Under) Expenditures	(25,000)	(450,222)	(425,222)
Other Financing Sources (Uses)			
Transfers in	125,000	151,765	26,765
Transfers (out)	(100,000)	(255,000)	(155,000)
Total Other Financing Sources (Uses)	25,000	(103,235)	(128,235)
Net Change in Fund Balance	$ -	(553,457)	$ (553,457)
Beginning fund balance		227,651	
Ending Fund Balance		$ (325,806)	

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Property taxes	$ 2,483,388	$ 1,241,694	$ 1,278,107	$ 36,413
Total Revenues	2,483,388	1,241,694	1,278,107	36,413
Expenditures				
Debt service:				
Principal	2,175,334	2,164,600	2,164,600	-
Interest and fiscal charges	1,009,788	1,012,522	1,025,166	12,644
Bond issuance costs	8,000	8,000	3,600	(4,400)
Total Expenditures	3,193,122	3,185,122	3,193,366	8,244
Revenues Over (Under) Expenditures	(709,734)	(1,943,428)	(1,915,259)	28,169
Other Financing Sources (Uses)				
Transfers in	1,943,428	1,943,428	1,954,675	11,247
Total Other Financing Sources (Uses)	1,943,428	1,943,428	1,954,675	11,247
Net Change in Fund Balance	$ 1,233,694	$ -	39,416	$ 39,416
Beginning fund balance			(112,330)	
Ending Fund Balance			$ (72,914)	

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
Capital Projects Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Investment income	$ 75,000	$ 130,000	$ 192,197	$ 62,197
Total Revenues	75,000	130,000	192,197	62,197
Expenditures				
Education	-	-	215	215
Capital outlay	-	30,000	32,467	2,467
Total Expenditures	-	30,000	32,682	2,682
Revenues Over (Under) Expenditures	75,000	100,000	159,515	59,515
Net Change in Fund Balance	$ 75,000	$ 100,000	159,515	$ 62,197
Beginning fund balance			4,320,052	
Ending Fund Balance			$ 4,479,567	

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWN OF WESTLAKE, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance − Budget and Actual
Westlake Academy Expansion Capital Projects
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Investment income	$ 125,000	$ 220,000	$ 320,363	$ 100,363
Total Revenues	125,000	220,000	320,363	100,363
Expenditures				
Bond issuance costs	-	-	52,510	52,510
Capital outlay	-	1,820,000	1,864,980	44,980
Total Expenditures	-	1,820,000	1,917,490	97,490
Revenues Over (Under) Expenditures	125,000	(1,600,000)	(1,597,127)	2,873
Other Financing Sources (Uses)				
Transfers in	100,000	100,000	255,000	155,000
Bond proceeds	-	3,900,000	3,990,000	90,000
Premium on bonds issued	-	-	102,910	102,910
Total Other Financing Sources (Uses)	100,000	4,000,000	4,347,910	347,910
Net Change in Fund Balance	$ 225,000	$ 2,400,000	2,750,783	$ 350,783
Beginning fund balance			6,343,974	
Ending Fund Balance			$ 9,094,757	

NOTES TO SCHEDULE:
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

THE TOWN OF
WESTLAKE
DISTINCTIVE BY DESIGN